



**CITY OF STURGEON BAY COMMON COUNCIL AGENDA
TUESDAY, JUNE 5, 2012**

8:00 P.M.

**COUNCIL CHAMBERS, CITY HALL – 421 MICHIGAN ST
THAD G. BIRMINGHAM, MAYOR**

1. Call to order.
2. Pledge of Allegiance.
3. Roll call.
4. Adoption of agenda.
5. Proclamation re: John & Helen Collins.
6. Consideration of the following bills: General Fund – \$136,639.96, Capital Fund - \$179,194.75, Cable TV - \$8,078.29, TID #3 - \$336.00, and Solid Waste Enterprise - \$2,228.30 for a grand total of \$326,477.30. [roll call]

7. **CONSENT AGENDA**

* All items listed with an asterisk (*) are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member requests before Adoption of the Agenda, in which event the item will be removed from the Consent Agenda and considered immediately following the consent agenda.

* a. Approval of 5/15/12 regular Common Council minutes.

* b. Approval of the following minutes:

- (1) Bicycle & Pedestrian Advisory Board – 5/3/12
- (2) Finance/Purchasing & Building Committee – 5/8/12
- (3) Cable Communication System Advisory Council – 5/10/12
- (4) Community Protection & Services Committee – 5/10/12
- (5) Board of Canvassers – 5/14/12
- (6) City Plan Commission – 5/16/12
- (7) Committee of the Whole – 5/17/12
- (8) Parking & Traffic Committee – 5/21/12
- (9) Personnel Committee – 5/23/12
- (10) Personnel Committee Closed Session – 5/23/12

* c. Place following report on file:

- (1) Bank Statement – December 2011
- (2) Financial Report – December 2011
- (3) Bank Statement – April 2012
- (4) Financial Report – April 2012

* d. Consideration of: Beverage Operator licenses.

* e. Consideration of: Temporary Class B Beer for SBVC.

* f. Consideration of: Class B Beer licenses.

- * g. Consideration of: Class B Beer and Class C Wine licenses.
 - * h. Consideration of: Amendment to premise section of liquor license for Class B Beer license for The Holiday Music Motel.
 - * i. Consideration of: Consideration of: Combination "Class B" Combination licenses, "Class B" Liquor license (wine only), Class "B" Beer licenses, "Class A" Combination licenses, Class "A" Beer licenses, Class "A" Liquor license, "Class C" Wine licenses.
 - * j. Finance/Purchasing & Building Committee recommendation re: Accept the Schenck Business Solutions 2011 audit report and place on file.
 - * k. Community Protection & Services Committee recommendation re: Transfer funds from Equipment-School account to Equipment account in the amount of \$6,500.00 to complete Council Chamber audio/video upgrade.
 - * l. City Plan Commission recommendation re: Approval of shoreline improvements for John & Cathy Wiese, 1358 Memorial Drive.
 - * m. Parking & Traffic Committee recommendation re: Remove stops signs on Joliet and Juniper Street.
8. Mayoral appointments.
 9. Public hearing re: Amendment to the Zoning Code regarding the Wellhead Protection Ordinance.
 10. Public hearing re: Amendment to Section 20.15(1)(b) of the Municipal Code – Zoning Code.
 11. First reading of ordinance re: Creating Section 20.42 of the Municipal Code – Wellhead Protection Requirements.
 12. First reading of ordinance re: Repealing and recreating Section 20.15(1)(b) of the Municipal Code (zoning code).
 13. First reading of ordinance re: Amending Section 13.01 of the Municipal Code – Combined Utility.
 14. Resolution Awarding the Sale of Approximately \$2,820,000 General Obligation Refunding Bonds.
 15. Resolution for Payment of Property Tax Equivalent and Annual Appropriation.
 16. Committee Chairperson Reports:
 - a. City Plan Commission
 - b. Finance/Purchasing & Building Committee
 - c. Park & Recreation Committee
 17. Public comment on non-agenda items.
 18. Mayor's comments.
 19. Adjourn.

NOTE: DEVIATION FROM THE AGENDA ORDER SHOWN MAY OCCUR.

Posted:
 Date: _____
 Time: _____
 By: _____

DAT
 TIM 6.
 ID: -----

CITY OF STURGEON BAY
 DEPARTMENT SUMMARY REPORT

ENCL: 1

6.

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
GENERAL FUND				
LIABILITIES				
MARINA	MARINA VIEW APARTMENTS, LLC	REF PERFORMANCE BOND	01-000-000-23168	25,000.00
R0000255	HELP OF DOOR COUNTY	PK SEC DEP REF HELP	01-000-000-23162	50.00
R0000255		SHELTER RES FEE REF HELP	01-000-000-46300	55.00
R0000255		SPECIAL EVENT FEE REF HELP	01-000-000-46415	30.00
R0000255		REF COUNTY TAX	01-000-000-24215	0.43
R0000255		REF STATE TAX	01-000-000-24214	4.25
R0000967	MARY CHAUDOIR	REF UNUSED HAZ TAG	01-000-000-48105	32.00
R0000968	THERESA HOELZEL	REF UNUSED HAZ TAG	01-000-000-48105	32.00
TOTAL LIABILITIES				25,203.68
TOTAL GENERAL FUND				25,203.68
LAW/LEGAL				
16555	PINKERT LAW FIRM, LLP	GENERAL MATTERS	01-110-000-55010	3,000.00
16555		TRAFFIC MATTERS	01-110-000-55010	945.00
16555		LIQUOR LIC 04/12	01-110-000-55010	36.00
TOTAL				3,981.00
TOTAL LAW/LEGAL				3,981.00
CITY CLERK-TREASURER				
02842	BROWN COUNTY SHERIFFS DEPT.	SERVED SUBPOENA	01-115-000-56350	80.00
23450	KRISTIN WILZ	SUBPOENA FEES	01-115-000-56350	16.80
R0000965	KRISTEN KARABUSH	SUBPOENA FEES	01-115-000-56350	16.80
R0000966	CARRIE BUHR	SUBPOENA FEES	01-115-000-56350	16.80
R0000969	PATRICK CORDIER	SUBPOENA FEES	01-115-000-56350	16.80
R0000970	JUSTIN FOERST	SUBPOENA FEES	01-115-000-56350	16.80
THORNTON	MOLLY R THORNTON	SUBPOENA FEE	01-115-000-56350	16.80
TOTAL				180.80
TOTAL CITY CLERK-TREASURER				180.80
COMPUTER				
01650	APEX SOFTWARE	APEX SKETCH V5 PRO ASSESSING	01-125-000-55550	545.00
01650		DISCOUNT	01-125-000-55550	-100.00
TOTAL				445.00
TOTAL COMPUTER				445.00
CITY ASSESSOR				
01740	ASSESSMENT TECHNOLOGIES	PROGRAM SUPPORT	01-130-000-55550	60.00
ASSO APP	ASSOCIATED APPRAISAL	06/05/12 CONTRACT	01-130-000-55010	1,245.83
TOTAL				1,305.83

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

GENERAL FUND				
			TOTAL CITY ASSESSOR	1,305.83
MUNICIPAL SERVICES ADMIN.				
03133	CELLCOM WISCONSIN RSA 10	CELL SERVICE	01-145-000-58250	23.78
04696	DOOR COUNTY TREASURER	2011 PICTOMETRY	01-145-000-58999	2,884.00
		TOTAL		2,907.78
		TOTAL MUNICIPAL SERVICES ADMIN.		2,907.78
PUBLIC WORKS ADMINISTRATION				
03133	CELLCOM WISCONSIN RSA 10	CELL SERVICE	01-150-000-58250	43.42
		TOTAL		43.42
		TOTAL PUBLIC WORKS ADMINISTRATION		43.42
ELECTIONS DEPARTMENT				
20081	TARGET BANK	BATTERIES FOR VOTER ENCODER	01-155-000-54999	29.64
		TOTAL		29.64
		TOTAL ELECTIONS DEPARTMENT		29.64
CITY HALL				
03075	CARQUEST OF DOOR COUNTY	GREASE GUN	01-160-000-52700	47.99
03806	CUMMINS NPOWER, LLC	CH GENERATOR SERVICE AGREEMENT	01-160-000-58999	1,171.80
05500	ENERGY CONTROL AND DESIGN INC	CHECK OUT HOT & COLD SPOTS CH	01-160-000-58999	303.18
23730	WPS	421 MICHIGAN ST	01-160-000-56600	682.40
VIK	VIKING ELECTRIC SUPPLY	10 60W COOL WHITE BULBS	01-160-000-51850	110.30
WARNER	WARNER-WEXEL WHOLESALE &	PAPER SUPPLIES FOR CH	01-160-000-51850	66.83
		TOTAL		2,382.50
		TOTAL CITY HALL		2,382.50
INSURANCE				
BH	BURKART HEISDORF INSURANCE	06/12 GENERAL LIABILITY	01-165-000-56400	2,842.00
BH		06/12 POLICE LIABILITY	01-165-000-57150	1,072.00
BH		06/12 PUBLIC OFFICIALS	01-165-000-57400	1,079.00
BH		06/12 AUTO LIABILITY	01-165-000-55200	1,618.00
BH		06/12 AUTO PHYS DAMAGE	01-165-000-55200	1,110.00
BH		06/12 WORKERS COMP	01-165-000-58750	14,987.00
BH		PUBLIC OFFICIAL BOND STEPHANIE	01-165-000-57400	75.00
		TOTAL		22,783.00

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

GENERAL FUND				
			TOTAL INSURANCE	22,783.00
GENERAL EXPENDITURES				
04696	DOOR COUNTY TREASURER	1ST QTR PHONE/VM PORTS	01-199-000-58200	329.30
04696		1ST QTR PHONE & VM	01-199-000-58200	218.65
R0000971	THR ASSOCIATES	OVR PMT TRANSIENT MERCHANT FEE	01-199-000-58900	8.00
VANDEW	VANDEWALLE & ASSOCIATES, INC	MARKET FEASIBILITY	01-199-000-57000	10,455.74
		TOTAL		11,011.69
		TOTAL GENERAL EXPENDITURES		11,011.69
POLICE DEPARTMENT				
17700	QUILL CORPORATION	PAPER, LEGAL PADS, TAPE	01-200-000-51950	112.77
20081	TARGET BANK	3 RING BINDERS	01-200-000-51950	7.81
		TOTAL		120.58
		TOTAL POLICE DEPARTMENT		120.58
PATROL BOAT				
PATROL BOAT				
02206	BAY MARINE	FUEL POLICE/FIRE BOAT	01-205-000-51650	424.90
CDE	PAULA REICHEL	CAPS & SHIRTS	01-205-000-54999	330.84
		TOTAL PATROL BOAT		755.74
		TOTAL PATROL BOAT		755.74
POLICE DEPARTMENT/PATROL				
01766	AURORA MEDICAL GROUP	PRE EMPL SCREEN SCUDDER	01-215-000-57100	209.00
01766		PRE EMPL SCREEN ROSS	01-215-000-57100	209.00
02005	BAY ELECTRONICS, INC.	TWO WAY RADIO REPAIR	01-215-000-57550	60.00
02005		TWO WAY RADIO REPAIR	01-215-000-57550	120.00
03075	CARQUEST OF DOOR COUNTY	BOOSTER PACK	01-215-000-58600	104.94
03133	CELLCOM WISCONSIN RSA 10	04/12 CELL SERVICE	01-215-000-58250	504.05
03133		04/12 CELL SERVICE	01-215-000-58999	307.68
04696	DOOR COUNTY TREASURER	04/12 FUEL CHARGES	01-215-000-51650	4,956.92
06592	FOX VALLEY TECHNICAL COLLEGE	PURSUIT INTERVIEW TECHINQUES	01-215-000-55600	285.00
13320	JEFFERSON FIRE & SAFETY, INC	FIRE EXTINGUISHER & HOLDER	01-215-000-58600	358.00
14878	NWTC	SWAT IN SERVICE WATERSTREET	01-215-000-55600	224.00
19324	STEVEN SOUTH	REIMB MEAL TRAINING	01-215-000-55600	18.10
19580	STREICHERS PROF POLICE EQUIP	KNIFE	01-215-000-51050	21.98
19580		3 HOBBLER	01-215-000-51050	74.97
25650	GREG ZAGER	REIMB MEAL TRAINING	01-215-000-55600	16.50
CDE	PAULA REICHEL	CAPS MARINE UNIT	01-215-000-52900	217.35
MEISNER	STEVE MEISNER	REIMB MEALS	01-215-000-55600	65.97
MEISNER		REIMB VEH WASH & FUNERAL DSPLY	01-215-000-54999	25.81

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

GENERAL FUND				
R0000760	UNIFORM & ACCS WAREHOUSE	SHIRTS FOR CSO	01-215-000-52900	31.97
R0000760		CSO SHIRTS	01-215-000-52900	64.13
		TOTAL		7,875.37
		TOTAL POLICE DEPARTMENT/PATROL		7,875.37
POLICE DEPT. / INVESTIGATIONS				
14878	NWTC	HOMICIDE INVEST TRNG OSBORNE	01-225-000-57950	200.00
		TOTAL		200.00
		TOTAL POLICE DEPT. / INVESTIGATIONS		200.00
FIRE DEPARTMENT				
01766	AURORA MEDICAL GROUP	NEW HIRE PHYSICALS	01-250-000-57100	2,269.00
02001	RED THE UNIFORM TAYLOR	UNIFORM PANTS MIKE SMITH	01-250-000-52900	228.13
02001		UNIFORM PANTS HERLACHE	01-250-000-52900	100.00
02001		TIE KLOTZ	01-250-000-52900	8.00
02001		SHIPPING	01-250-000-52900	16.96
02001		PINS DIETMAN	01-250-000-52900	42.86
02001		PANTS CIHLAR	01-250-000-52900	112.25
02001		PANTS STIEWER	01-250-000-52900	117.03
02005	BAY ELECTRONICS, INC.	PAGER BATTERIES	01-250-000-57550	30.00
02275	BENDLIN FIRE EQUIPMENT	PATCH MATERIAL	01-250-000-53000	46.00
02275		EMERGENCY LIGHTS	01-250-000-53000	434.00
02330	JIM OLSON MOTORS	FLUID	01-250-000-53000	33.66
02330		GASKET	01-250-000-53000	13.54
02960	C & W AUTO	1 RIM & CENTER CONSEL	01-250-000-53000	225.00
03075	CARQUEST OF DOOR COUNTY	ELE PLUGS	01-250-000-53000	5.80
03075		RETURN VALVE EXTENSIONS	01-250-000-53000	-116.64
03075		BREAK PADS & ROTORS	01-250-000-53000	130.13
03075		GEAR LUBE & BRAKE CLEANER	01-250-000-53000	34.46
03075		BRAKE CALIPER	01-250-000-53000	143.50
03075		FUSE BLOCK	01-250-000-53000	31.37
03133	CELLCOM WISCONSIN RSA 10	CELL SERVICE	01-250-000-58250	7.04
03133		CELL SERVICE	01-250-000-58250	7.58
04150	DE JARDIN CLEANERS LLC	CLEAN UNIFORM JACKET	01-250-000-54999	10.54
04300	KEN DOELL	REIMB UNIFORM SHIRTS	01-250-000-52900	65.00
04545	DOOR COUNTY COOPERATIVE	TRIMMER LINE	01-250-000-54999	4.79
04696	DOOR COUNTY TREASURER	04/12 FUEL	01-250-000-51650	1,108.89
08140	HEIMAN FIRE EQUIPMENT, INC.	SAFETY VESTS & BAGS	01-250-000-52350	172.40
08140		SPANNER WRNCHS, GLOVE STRAP	01-250-000-51350	277.65
08260	TIM HERLACHE	REIMB EMERGENCY LIGHTS	01-250-000-53000	39.99
08795	IAFC	ANNUAL MEMBERSHIP	01-250-000-56000	204.00
14875	NWTC GREEN BAY	CERT EXAM 3 FIRE FIGHTERS	01-250-000-55600	240.00
19303	MIKE SMITH	REIMB BALL CAP	01-250-000-52900	13.00
19880	STURGEON BAY UTILITIES	MEM FLD SPRINKLER	01-250-000-56675	28.49
19880		MEM FLD WARMING HOUSE	01-250-000-56675	28.49
19880		SALT SHED	01-250-000-56675	3.56
19880		N 14TH AVE CITY GARAGE	01-250-000-56675	29.00
19880		N 7TH PL GARLAND PARK	01-250-000-56675	3.47

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

GENERAL FUND				
19880		DUCK POND	01-250-000-56675	3.56
19880		SUNSET CNTR/NEW CONC	01-250-000-56675	29.00
19880		FRANK GRASSE MEM SHELTER	01-250-000-56675	9.00
19880		OTUMBA PARK	01-250-000-56675	3.56
19880		WEST SIDE WARMING HOUSE	01-250-000-56675	3.56
19880		WEST SIDE FIRE STATION	01-250-000-56150	68.42
19880		WEST SIDE FIRE STATION	01-250-000-56675	29.00
19880		WEST SIDE FIRE STATION	01-250-000-58650	79.03
19880		38 S NEENAH AVE PAVILLION	01-250-000-56675	3.56
19880		38 S NEENAH AVE RESTROOMS	01-250-000-56675	18.00
19880		JC FIELD STAND	01-250-000-56675	9.00
19880		HICH ST JC BALLFIELD SPRINKLER	01-250-000-56675	29.00
19880		WEST SIED BALL FIELD	01-250-000-56675	3.56
19880		GIRLS LITTLE LEAGUE	01-250-000-56675	28.49
19880		FIRE PROTECTION	01-250-000-56675	17,441.50
19880		N 14TH AVE WARNING SIREN	01-250-000-56150	9.35
19880		QUINCY ST BAY SHIP PIT	01-250-000-56675	28.49
19880		COVE RD/CANAL RD SIREN	01-250-000-56150	14.48
19880		1028 N 14TH AVE	01-250-000-56675	3.56
19880		1423 EGG HARBOR RD	01-250-000-56675	3.56
19880		SUNSET PK STAR PLANT	01-250-000-56675	29.00
19880		N 14TH AVE DOG POUND	01-250-000-56675	3.56
19880		CHERRY BLOSSOM PARK	01-250-000-56675	9.00
19880		CLAY BANKS SIREN	01-250-000-56150	13.81
19880		RURAL WATER	01-250-000-58650	109.02
20725	T R COCHART TIRE CENTER	TIRES UNIT #9	01-250-000-53000	549.96
23730	WPS	WEST SIDE FIRE STATION	01-250-000-56600	38.49
23896	MIKE WRITT	REIMB UNIFORM SHIRTS	01-250-000-52900	65.00
PAULCONW	PAUL CONWAY SHIELDS	HELMET SHIELD	01-250-000-51350	86.82
		TOTAL		24,871.28
		TOTAL FIRE DEPARTMENT		24,871.28
STORM SEWERS				
02435	BISSEN ASPHALT LLC	FILL SAND	01-300-000-51150	42.53
10750	PREMIER CONCRETE INC	COLOR	01-300-000-51150	150.00
10750		CONCRETE & EXP JOINT	01-300-000-51150	394.50
		TOTAL		587.03
		TOTAL STORM SEWERS		587.03
STREET SWEEPING				
19880	STURGEON BAY UTILITIES	WATER FOR SWEEPER	01-330-000-53050	22.08
25700	ZARNOTH BRUSH WORKS INC	MAIN BROOM	01-330-000-51400	458.00
		TOTAL		480.08
		TOTAL STREET SWEEPING		480.08

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

GENERAL FUND				
ROADWAYS/STREETS				
03075	CARQUEST OF DOOR COUNTY	CABLE	01-400-000-51400	7.61
		TOTAL		7.61
		TOTAL ROADWAYS/STREETS		7.61
STREET SIGNS AND MARKINGS				
06012	FASTENAL COMPANY	BOLTS & WASHERS	01-420-000-52550	12.45
19275	SHERWIN WILLIAMS	80 GALLONS YELLOW TRAFFIC PNT	01-420-000-52100	957.60
19275		100 5 GALLONS YELLOW PAINT	01-420-000-52100	1,197.00
19275		30 5 GALLONS YELLOW PAINT	01-420-000-52100	369.90
19275		RETURN 30 5 GALLONS YELLOW PNT	01-420-000-52100	-369.90
19275		30 5 GALLONS YELLOW PAINT	01-420-000-52100	359.10
19275		50 5 GALLONS YELLOW PAINT	01-420-000-52100	598.50
20070	TAPCO	10 SPEED LIMIT SIGNS	01-420-000-52600	187.50
20070		SHIPPING	01-420-000-52600	20.51
		TOTAL		3,332.66
		TOTAL STREET SIGNS AND MARKINGS		3,332.66
CURB/GUTTER/SIDEWALK				
10750	PREMIER CONCRETE INC	REBAR	01-440-000-51200	32.00
10750		CONCRETE	01-440-000-51200	78.50
10750		COLORED CONCRETE SUPPLIES	01-440-000-51200	808.80
		TOTAL		919.30
		TOTAL CURB/GUTTER/SIDEWALK		919.30
STREET MACHINERY				
02005	BAY ELECTRONICS, INC.	TWO WAY RADIO REPAIR	01-450-000-57550	85.00
03075	CARQUEST OF DOOR COUNTY	GREASE FITTINGS, CLAY PROD	01-450-000-52150	59.16
04545	DOOR COUNTY COOPERATIVE	IMPACT ADAPTOR	01-450-000-52700	17.90
04545		WRENCH	01-450-000-52700	9.51
04696	DOOR COUNTY TREASURER	04/12 FUEL & DIESEL	01-450-000-51650	4,607.56
15995	PACKER CITY INTERNATIONAL, INC	OIL FILTER	01-450-000-53000	59.70
15995		FILTER KIT	01-450-000-53000	29.26
15995		FUEL FILTER	01-450-000-53000	54.61
15995		SHIPPING	01-450-000-53000	17.59
QUALITY	QUALITY TRUCK CARE CENTER INC	FUEL TANK	01-450-000-53000	783.30
QUALITY		RUBBER INSULATORS	01-450-000-53000	19.46
QUALITY		2 FUEL TNK STRPS & STRAP INSLT	01-450-000-53000	146.36
		TOTAL		5,889.41
		TOTAL STREET MACHINERY		5,889.41

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
01766	AURORA MEDICAL GROUP	DOT TESTING MACCOUX	01-460-000-57100	50.00
01766		DOT TESTING MADDEN	01-460-000-57100	50.00
04545	DOOR COUNTY COOPERATIVE	WRENCH	01-460-000-52700	10.14
06012	FASTENAL COMPANY	BAND SAW BLADE	01-460-000-56250	48.10
19880	STURGEON BAY UTILITIES	SALT SHED	01-460-000-56150	8.24
19880		N 14TH AVE CITY GARAGE	01-460-000-56150	709.48
19880		N 14TH AVE CITY GARAGE	01-460-000-58650	121.00
23730	WPS	CITY GARAGE	01-460-000-56600	174.73
SAFWAY	SAFWAY SERVICES, LLC	SHIPPING CHARGES	01-460-000-55300	87.32
TOTAL				1,259.01
TOTAL CITY GARAGE				1,259.01
CELEBRATION & ENTERTAINMENT				
DRAGON	THERESA M LUNDAHL	2012 FINAL PAYMENT HARMONY/BAY	01-480-000-58999	8,700.00
TOTAL				8,700.00
TOTAL CELEBRATION & ENTERTAINMENT				8,700.00
HIGHWAYS - GENERAL				
19880	STURGEON BAY UTILITIES	TRFC WARNING LIGHT ELM & CTY C	01-499-000-58000	2.75
TOTAL				2.75
TOTAL HIGHWAYS - GENERAL				2.75
PARK & RECREATION ADMIN				
03133	CELLCOM WISCONSIN RSA 10	CELL SERVICE	01-500-000-58250	7.67
03133		CELL SERVICE	01-500-000-58250	95.38
03133		CELL SERVICE	01-500-000-58250	7.49
06460	FLS BANNER LTD	250 TOTE BAGS	01-500-000-52250	883.50
06460		3 FARM MARKET T-SHIRTS	01-500-000-52250	52.41
16575	PIP PRINTING	GARAGE SALE FLIERS	01-500-000-52250	554.05
R0000807	MARK THIEDE	SOUND & RUNNING MOVIE 6/17/12	01-500-000-52250	350.00
ULINE	ULINE SHIPPING SUPPLY	BAGS FOR KICK OFF TO SMR EVENT	01-500-000-52250	56.80
TOTAL				2,007.30
TOTAL PARK & RECREATION ADMIN				2,007.30
PARKS AND PLAYGROUNDS				
01766	AURORA MEDICAL GROUP	PRE EMPL SCREEN SPETZ	01-510-000-57100	92.00
01766		PRE EMPL SCREEN OSBORNE	01-510-000-57100	92.00
01766		PRE EMPL SCREEN DEPIES	01-510-000-57100	92.00
01766		PRE EMPL SCREEN DEMEUSSE	01-510-000-57100	92.00
01766		PRE EMPL SCREEN SMITH	01-510-000-57100	92.00

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

GENERAL FUND				
01766		PRE EMPL SCREEN ROSENTHAL	01-510-000-57100	92.00
01766		PRE EMPL SCREEN ASH	01-510-000-57100	92.00
01766		PRE EMPL SCREEN GIESE	01-510-000-57100	92.00
01766		PRE EMPL SCREEN BOSMAN	01-510-000-57100	92.00
01766		PRE EMPL SCREEN NEILSON	01-510-000-57100	92.00
01766		PRE EMP SCREEN ABEYTA	01-510-000-57100	92.00
01766		PRE EMPL SCREEN GLASHEEN	01-510-000-57100	92.00
01766		PRE EMPL SCREEN PLOOR	01-510-000-57100	92.00
01766		PRE EMPL SCREEN SCHMELZER	01-510-000-57100	92.00
03075	CARQUEST OF DOOR COUNTY	OIL FILTER & FILL KIT	01-510-000-53000	25.46
03075		WIRE & 2 POLE MOLDED RECEPT	01-510-000-54999	3.59
04545	DOOR COUNTY COOPERATIVE	YELLOW SEALER	01-510-000-54999	5.84
04696	DOOR COUNTY TREASURER	04/12 FUEL CHARGES	01-510-000-51650	1,396.23
10750	PREMIER CONCRETE INC	CONCRETE & LIME SUNSET PARK	01-510-000-51750	545.50
12100	LAMPERT YARDS INC	PINE	01-510-000-51800	37.16
14939	NORTHERN SAFETY CO., INC.	4 BOXES GLOVES	01-510-000-52350	43.96
14939		6 BOXES GLOVES	01-510-000-52350	65.94
14939		10 SAFETY VESTS	01-510-000-52350	35.00
14939		1 DOZEN LEATHER PALM GLOVES	01-510-000-52350	15.95
14939		SHIPPING	01-510-000-52350	23.50
19880	STURGEON BAY UTILITIES	MARTIN PARK	01-510-000-56150	8.68
19880		MEM FLD SPRINKLER	01-510-000-58650	11.20
19880		MEM FLD WARMING HOUSE	01-510-000-56150	145.25
19880		MEM FLD WARMING HOUSE	01-510-000-58650	172.83
19880		N 7TH PL GARLAND PARK	01-510-000-56150	8.35
19880		N 7TH PL GARLAND PARK	01-510-000-58650	19.86
19880		SUNSET CNTR/NEW CONC	01-510-000-56150	190.69
19880		SUNSET CNTR/NEW CONC	01-510-000-58650	113.74
19880		FRANK GRASSE MEM SHELTER	01-510-000-56150	84.66
19880		FRANK GRASSE MEM SHELTER	01-510-000-58650	37.17
19880		OTUMBA PARK	01-510-000-56150	20.38
19880		OTUMBA PARK	01-510-000-58650	24.52
19880		WEST SIDE WARMING HOUSE	01-510-000-56150	12.70
19880		JC FIELD STAND	01-510-000-56150	37.21
19880		JC FIELD STAND	01-510-000-58650	21.55
19880		FLAG LIGHT 5TH & MICHIGAN	01-510-000-56150	37.56
19880		MEMORIAL FLD	01-510-000-56150	16.66
19880		MEMORIAL FLD PARKING LOT	01-510-000-56150	8.24
19880		WEST SIED BALL FIELD	01-510-000-56150	8.24
19880		WEST SIED BALL FIELD	01-510-000-58650	9.94
19880		GIRLS LITTLE LEAGUE	01-510-000-56150	25.17
19880		GIRLS LITTLE LEAGUE	01-510-000-58650	55.66
19880		MEM FLD BASEBALL PBI	01-510-000-56150	8.24
19880		OTUMBA PARK	01-510-000-56150	248.32
19880		OTUMBA PARK ST LIGHT	01-510-000-56150	150.25
19880		FLORIDA ST/SUNSET PARK	01-510-000-56150	15.37
19880		N 14TH AVE DOG POUND	01-510-000-56150	15.71
19880		CHERRY BLOSSOM PARK	01-510-000-56150	24.84
19880		CHERRY BLOSSOM PARK	01-510-000-58650	25.56
23730	WPS	MEMORIAL FIELD	01-510-000-56600	63.71
LENIUS	JENNIFER LENIUS	MLG DLVR FLIERS TO APPLETON	01-510-000-51650	85.69
VIK	VIKING ELECTRIC SUPPLY	200' CORD ON REEL	01-510-000-54999	316.84
WARNER	WARNER-WEXEL WHOLESALE &	CASE BLEACH & LIQ HAND SOAP	01-510-000-54999	26.28
TOTAL				5,537.20
TOTAL PARKS AND PLAYGROUNDS				5,537.20

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
BALLFIELDS				
02130	BAUDHUIN INC	DESIGN FEES FOR LITTLE LEAGUE	01-520-000-54999	300.00
20900	TRU GREEN CHEMLAWN	WEED & FEED MEMORIAL FIELD	01-520-000-56500	144.00
TOTAL				444.00
TOTAL BALLFIELDS				444.00
MUNICIPAL DOCKS				
19880	STURGEON BAY UTILITIES	36 S NEENAH AVE PKG LOT LIGHTS	01-550-000-56150	65.85
19880		38 S NEENAH AVE RESTROOMS	01-550-000-56150	116.12
19880		38 S NEENAH AVE RESTROOMS	01-550-000-58650	252.36
23730	WPS	36 S NEENAH AVE	01-550-000-56600	28.31
TOTAL				462.64
TOTAL MUNICIPAL DOCKS				462.64
WATER WEED MANAGEMENT				
03075	CARQUEST OF DOOR COUNTY	GREASE FITTINGS	01-560-000-51400	3.44
03075		SWITCH	01-560-000-51400	18.93
03075		OIL	01-560-000-51400	38.88
03075		AIR FILTER	01-560-000-51400	9.20
03075		3 GALLONS MOTOR OIL	01-560-000-52050	52.35
03075		OIL, LOGS, UTILITY CABLE	01-560-000-51400	50.97
03075		FILTER & BATTERY	01-560-000-51400	87.85
03075		5 GALLONS GEAR LUBE	01-560-000-52050	14.18
03075		FILTER WEED HARVESTER	01-560-000-52050	38.88
03075		FILTER WEED HARVESTER	01-560-000-52050	7.64
06012	FASTENAL COMPANY	24-1/4 X 20 X 1 1/2	01-560-000-54999	3.78
15890	PACK AND SHIP PLUS	RETURN ALTERNATOR	01-560-000-54999	17.80
GREEN BA	GREEN BAY REBUILDERS, LLC	REBUILD ALTERNATOR	01-560-000-51400	82.00
TOTAL				425.90
TOTAL WATER WEED MANAGEMENT				425.90
WATERFRONT PARKS & WALKWAYS				
19880	STURGEON BAY UTILITIES	38 S NEENAH AVE PAVILLION	01-570-000-56150	8.68
19880		38 S NEENAH AVE PAVILLION	01-570-000-58650	8.63
19880		DCMM WALKWAY LIGHTS	01-570-000-56150	31.21
19880		DCMM PARKING LOT LIGHTS	01-570-000-56150	158.84
TOTAL				207.36
TOTAL WATERFRONT PARKS & WALKWAYS				207.36
TOTAL GENERAL FUND				134,359.56

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
CAPITAL FUND				
COMPUTER				
03101	CDW GOVERNMENT, INC.	HP PRINTER ASST FIRE CHIEF	10-125-000-59040	245.00
TOTAL				245.00
TOTAL COMPUTER				245.00
 GENERAL EXPENDITURES				
BAY SURV	BAY SURVEYING LLC	SURVEY SALE OF PORTION/GILL	10-199-000-59080	580.00
PETERS	PETERS CONCRETE CO	4TH AVE SBU	10-199-000-51525	70,117.25
PETERS		4TH AVE STORM	10-199-000-51525	34,960.65
TOTAL				105,657.90
TOTAL GENERAL EXPENDITURES				105,657.90
 PATROL				
AQUA	AQUA CENTER OF GREEN BAY INC	MISC GEAR	10-215-000-59999	10.00
AQUA		MISC GEAR	10-215-000-59999	2,977.89
DIVE	DIVE RIGHT IN SCUBA, INC	KNIFE	10-215-000-59999	80.00
DIVE		RUBBER PULLOVER RING SYSTEM	10-215-000-59999	74.99
DIVE		PULLOVER RUBBER DRY GLOVES	10-215-000-59999	9.99
DIVE		TALCOM POWDER BAGS	10-215-000-59999	25.98
MOGEN	SHAWN MOGEN	REIMB DRY SUIT, THERMALS, HOOD	10-215-000-59999	450.00
TOTAL				3,628.85
TOTAL PATROL				3,628.85
 ROADWAYS/STREETS				
EXPENSE				
02435	BISSEN ASPHALT LLC	ALLEY PAVING AT CELLCOM	10-400-000-59100	2,976.00
TOTAL EXPENSE				2,976.00
 ANNUAL RESURFACING & BASE REP.				
PETERS	PETERS CONCRETE CO	4TH AVE STREET	10-400-110-59095	66,687.00
TOTAL ANNUAL RESURFACING & BASE REP.				66,687.00
TOTAL ROADWAYS/STREETS				69,663.00
TOTAL CAPITAL FUND				179,194.75

CABLE TV

CABLE TV / GENERAL

CABLE TV / GENERAL

02975	CAMERA CORNER	MICS, STANDS, CABLE, CARD CPLS	21-000-000-59070	1,776.00
02975		RETURN MISC INSTALL MATERIAL	21-000-000-59070	-257.00
03159	CHARTER COMMUNICATIONS	CB MUSIC SERVICE	21-000-000-56700	33.20
04545	DOOR COUNTY COOPERATIVE	HDMI CONNECTORS	21-000-000-59070	57.46

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
CABLE TV				
CABLE TV / GENERAL				
CABLE TV / GENERAL				
04575	DOOR COUNTY HARDWARE	TAPE, CABLE MOUNTS, KWIK CLIP	21-000-000-51950	31.44
04575		ANCHORS, TAPE, KWIK CLIP	21-000-000-59070	22.25
04575		FASTNERS	21-000-000-59070	9.93
04575		TAPE, ELE SUPPLIES	21-000-000-59070	13.29
04575		ELE SUPPLIES	21-000-000-59070	-3.35
04575		PUTTY, ELE SUPPLIES	21-000-000-51950	14.26
04575		FASTNERS, SPRAY PNT, GRIP STRP	21-000-000-51950	15.29
13023	MARKERTEK VIDEO SUPPLY	NEW AV EQUIPMENT INSTALL	21-000-000-59070	269.34
13023		CABLE CONNECTORS	21-000-000-59070	56.51
13023		CABLE PROTECTOR	21-000-000-59070	49.87
13023		NEW AV EQUIPMENT INSALL	21-000-000-59070	70.55
13023		CABLE CONNECTOR	21-000-000-59070	29.76
13023		CABLES FOR AV EQUIPMENT	21-000-000-59070	178.27
14920	NORTHERN ELECTRIC INC	PART OF AV INSTALL	21-000-000-59070	236.76
15890	PACK AND SHIP PLUS	RETURN SHIPPING	21-000-000-54999	16.15
B&H	B&H PHOTO-VIDEO	EQUIPMENT	21-000-000-59070	766.85
MANN	MANN COMMUNICATIONS, LLC	06/05/12 CONTRACT	21-000-000-55015	4,390.00
MANN		ROGER COUNCIL PREVIEWS	21-000-000-58999	105.00
MANN		DVD'S TO LIBRARY	21-000-000-58999	45.00
VIK	VIKING ELECTRIC SUPPLY	CABLE & CONNECTORS	21-000-000-59070	151.46
TOTAL CABLE TV / GENERAL				8,078.29
TOTAL CABLE TV / GENERAL				8,078.29
TOTAL CABLE TV				8,078.29
TID #3 DISTRICT				
TID #3 DISTRICT				
16555	PINKERT LAW FIRM, LLP	TID #3 LEGAL 04/12	27-330-000-55001	336.00
TOTAL				336.00
TOTAL TID #3 DISTRICT				336.00
TOTAL TID #3 DISTRICT				336.00
SOLID WASTE ENTERPRISE				
SOLID WASTE ENTERPRISE FUND				
SOLID WASTE ENTERPRISE FUND				
03075	CARQUEST OF DOOR COUNTY	BACK UP LAMP	60-000-000-53000	11.18
04696	DOOR COUNTY TREASURER	04/12 551 GALLONS DIESEL	60-000-000-51650	2,093.80
13150	MASTERCRAFT WELDING SYSTEM	FLAT BAR	60-000-000-53000	6.00
13150		FLAT BAR	60-000-000-53000	12.00
LODAL	LODAL, INC	STEERING COLUMN BEARING	60-000-000-53000	105.32
TOTAL SOLID WASTE ENTERPRISE FUND				2,228.30
TOTAL SOLID WASTE ENTERPRISE FUND				2,228.30
TOTAL SOLID WASTE ENTERPRISE				2,228.30
TOTAL ALL FUNDS				324,196.90

MANUAL CHECKS

Benefit Advantage 05/08/12 Caf plan & HRA plan fees Check #70403 01-600-000-50510	\$ 144.00
BP Amoco 05/14/12 Out of town fuel Check #70410 01-215-000-51650	\$ 245.60
Minnesota Life Insurance 05/14/12 Life insurance Check #70411 01-600-000-50552	\$ 1,671.80
WI DOT 05/15/12 Reg 01 Ford Expedition Check #70414 01-200-000-54999	\$ 148.50
WI DOT 05/15/12 Reg 03 Tahoe Check #70492 01-200-000-54999	\$ 70.50
TOTAL MANUAL CHECKS	\$ 2,280.40

INVOICES DUE ON/BEFORE 06/05/2012

VENDOR # NAME ITEM DESCRIPTION ACCOUNT # AMOUNT DUE

SUMMARY OF FUNDS:

GENERAL FUND	134,359.56 136,639.96
CAPITAL FUND	179,194.75
CABLE TV	8,078.29
TID #3 DISTRICT	336.00
SOLID WASTE ENTERPRISE	2,228.30

TOTAL --- ALL FUNDS ~~324,196.90~~ 326,477.30

Denny B. Weijer 5/29/12
Rehlich Or 5/29/12
J. M. H. 5/29/12

A meeting of the Common Council was called to order at 7:00 p.m. by Mayor Birmingham. The Pledge of Allegiance was recited. Roll call: Ald. Wiegand, Vandertie, Lodi, Wiesner, Stutting, Fett, and Schlicht were present.

Schlicht/Fett to adopt the amended agenda. Carried.

Stutting/Schlicht to approve following bills: General Fund – \$165,233.76, Cable TV - \$137.40, and Solid Waste Enterprise - \$11,026.15 for a grand total of \$176,397.31. Roll call: All voted aye. Carried.

Fett/Vandertie to approve consent agenda:

- a. Approval of 5/1/12 regular Common Council minutes
- b. Approval of the following minutes:
 - (1) Sturgeon Bay Utility Commission – 4/9/12
 - (2) Fire & Police Commission – 4/24/12
 - (3) Board of Public Works – 5/1/12
- c. Place following reports on file:
 - (1) Police Department Report – April 2012
 - (2) Fire Department Report – April 2012
 - (3) Inspection Department Report – April 2012
 - (4) Street Department Report – April 2012
 - (5) Parks Department
- d. Consideration of: Beverage Operator licenses.
- e. Consideration of: Temporary Class B Beer and Temporary Class B Wine.
- f. Consideration of: Class B Beer license.
- g. Consideration of: Street Closure Application for SBVC.

Carried.

There were no mayoral appointments.

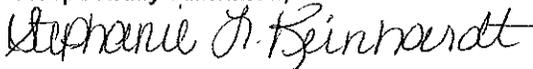
Wiegand/Lodi to read in title only and adopt the second reading of an ordinance re: rezoning property known as The Cottages at Deer Run Village from Two-Family Residential (R-3) to Planned Unit Development (PUD) subject to site plan and requirement. Carried.

No one spoke during public comment.

The Mayor made his comments.

Vandertie/Stutting to adjourn. Carried. The meeting adjourned at 7:12 p.m.

Respectfully submitted,



Stephanie L. Reinhardt
City Clerk

BICYCLE AND PEDESTRIAN ADVISORY BOARD

Thursday, May 3, 2012

The Bicycle and Pedestrian Advisory Board meeting was called to order at 3:32 p.m. by Chairperson Robert Schlicht in 2nd Floor Conference Room, City Hall, 421 Michigan Street.

Roll call: Members Nathan Hayes, Robert Schlicht, Marty Olejniczak, Paul Anschutz, Leni Spaude, and Rhonda Kolberg were present. Excused: Member Laurel Brooks. Also present were City Engineer Tony Depies and Community Development Secretary Cheryl Nault.

Adoption of agenda: Moved by Mr. Anschutz, seconded by Ms. Spaude to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from April 5, 2012.
4. Consideration of: Safe Routes to School Implementation Grant.
5. Consideration of: Safe Routes to School plan amendments.
6. Consideration of: Master planning process for State parks.
7. Consideration of: Ahnapee Trail issues.
8. Consideration of: Bike to school day, May 9, 2012/Walk to school day, Oct. 3, 2012.
9. Consideration of: Bike to work week, May 14-18, 2012.
10. Consideration of: Educational bike programs for children and adults.
11. Adjourn.

Carried.

Approval of minutes from April 5, 2012: Moved by Mr. Anschutz, seconded by Dr. Hayes to approve the minutes from April 5, 2012. Mr. Anschutz wondered how the minutes can be approved by Council if they haven't even been approved by the Board. Mr. Olejniczak responded the Council is actually accepting the minutes, not approving them. Mr. Schlicht will look into the policy. Motion carried.

Consideration of: Safe Routes to School Implementation Grant: Mr. Olejniczak stated that at the last meeting 12 potential projects were discussed. Members were asked to rank their top 5 potential projects that they would like to see included in the Safe Routes to School grant application. A few aldermen also offered their choices. Based on the rankings, there were 4 projects that had good consensus, including:

1. The sidewalk on Michigan St.
2. The sidewalk on 15th Avenue down to Utah St.
3. The sidewalk on 12th Avenue to Egg Harbor Rd.
4. Purchasing a permanent radar speed board.

The Council considered whether to apply for a grant and what projects to seek funding for. The Council liked the four top-ranked projects, but changed the 15th Avenue sidewalk to go all the way to Memorial Drive, and added three additional projects, including:

1. The Louisiana St. sidewalk.
2. The sidewalk leading from the Hardee's intersection down Georgia Street through Big Hill Park and down 9th Avenue.
3. The sidewalk down 14th Avenue between Michigan St. and Sunrise School.

Mr. Olejniczak and Mr. Depies went over the estimated costs of the different projects, including engineering costs, totaling \$326,720.00. Mr. Olejniczak was told that there would be a very limited opportunity to receive a grant for more than \$300,000.00. If the 14th Avenue project was removed from the list, the total changes to \$297,560.00.

After further discussion, it was moved by Mr. Schlicht, seconded by Ms. Spaude to remove the 14th Avenue sidewalk from the grant request in order to bring the project down to a total of \$297,560.00. Carried.

Consideration of: Safe Routes to School plan amendments: Mr. Olejniczak stated that there are some of the projects being requested that are not in the original Safe Routes plan. In talking with Rene Callaway, grant coordinator, she advised to apply for a grant, but amend the plan to include those projects. Mr. Olejniczak recommended amending the 2008 Safe Routes to School plan and add the projects not shown as a future safe route. He recommended that the Bike and Pedestrian Board make a recommendation to Council to amend the Safe Routes plan maps.

Moved by Mr. Schlicht, seconded by Dr. Hayes to direct staff to amend the 2008 Safe Routes to School plan to include 12th Avenue from Georgia St. to Egg Harbor Rd., 15th Avenue from Rhode Island St. to Memorial Drive, and Georgia St./Big Hill. Carried.

Consideration of: Master planning process for State parks: Mr. Anschutz explained that there are 5 state parks in Door County. One member from the Bike and Pedestrian Advisory Board is being asked by the Door County Silent Sports Alliance to be placed on the State Guidance Committee for the master planning process for the state parks. The purpose of the committee is to guide the DNR on what is necessary in the state parks. Mr. Anschutz volunteered to be placed on this committee. Moved by Mr. Olejniczak, seconded by Ms. Kolberg to have the Bicycle and Pedestrian Advisory Board send correspondence to the State Park representatives seeking representation of our advisory board on the Guidance Committee. Carried. The consensus is to have two representatives, Mr. Anschutz and Dr. Hayes, in case one or the other cannot attend a meeting.

Consideration of: Ahnapee Trail issues: Dr. Hayes mentioned that something needs to be done with the Ahnapee Trail. It is partially paved and partially gravel. It goes through the Industrial Park and is not aesthetically pleasing. It needs to be improved so every form of transportation can use the trail.

Mr. Depies mentioned that the trail going through the Industrial Park is the shoulder of the road. There is a gravel area that goes behind Therma-TronX. It has been looked at as to getting it paved, as well as past Cherry Blossom Park to Willow Court and underneath the bridge.

Mr. Anschutz suggested asking the businesses in the Industrial Park for donations to help pave and beautify the trails.

Mr. Olejniczak suggested forming a sub-committee to work on a specific improvement program for the City portion of the Ahnapee Trail. Once there is a proposal it can then be brought before organizations or businesses asking for donations, such as the Door County Manufacturer's Association or Raibrook Foundation.

Mr. Depies will contact John Kolodziej from the Door County Highway Dept. regarding removing tree roots near the switchback by the Bayview Bridge.

Consideration of: Bike to school day, May 9, 2012/Walk to school day, Oct. 3, 2012: Board members discussed the walk to school days. Since it would be too late for a press release for

May 9th, it was suggested to get out a press release regarding walk to school day on October 3rd as soon as school begins in September. Also, sending a letter from the Board to the schools regarding walk to school day might be effective. Ms. Spaude suggested getting something in the newspaper letting everyone know what we are doing and not just seeing a project being done.

Mr. Schlicht stated the Board should be pro-active and get the information out on the City's website, as well as to the Sturgeon Bay Schools.

Consideration of: Bike to Work Week, May 14-18, 2012: Mr. Anschutz stated that the word needs to get out regarding Bike to Work Week. Door County Memorial Hospital would like to be a sponsor of Bike to Work Week. Mr. Olejniczak and Ms. Kolberg will notify City and County employees to advise them that May 14-18 is Bike to Work Week.

Consideration of: Educational bike programs for children and adults: Mr. Anschutz had a 10 minute video that he would like put on the cable access channel that shows how children ride bikes safely.

Ms. Spaude mentioned that the bike rodeo that was held at St. John Bosco had 13 kids in attendance.

Mr. Anschutz reported that 26 kids attended the bike rodeo at the YMCA. Door County Silent Sports Alliance would like to partner with the City for the Kick Off to Summer Day at Sunset Park on Saturday, June 16. A bike rodeo would be held. A screen would be needed in order to show the video on how to ride bikes safely. Mr. Olejniczak will put a notice on the cable access channel and make sure it is promoted through the Parks Dept. with the Kick Off to Summer Day.

Adjourn: Moved by Mr. Olejniczak, seconded by Ms. Spaude to adjourn. Carried. Meeting adjourned at 4:58 p.m.

Respectfully submitted,



Cheryl Nault
Community Development Secretary

FINANCE/PURCHASING & BUILDING COMMITTEE
May 8, 2012

A meeting of the Finance/Purchasing & Building Committee was called to order at 7:30 p.m. by Chairperson Stutting in Council Chambers, City Hall. Roll call: Alderperson Stutting, Alderperson Wiegand, and Alderperson Schlicht were present. Also present: Alderperson Fett, Alderperson Wiesner, City Administrator McNeil, Finance Director/City Treasurer Clarizio, Paul Denis of Schenck Government & Non-For-Profit Solutions, Jim Stawicki, Sturgeon Bay Utilities General Manager, and Office/Accounting Assistant II Flinn.

Moved by Alderperson Wiegand, seconded by Alderperson Schlicht to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Consideration of: SBU Payment in Lieu of Taxes (PILOT).
4. Consideration of: Presentation of 2011 Audit.
5. Review of unfinished business list.
6. Review bills.
7. Adjourn.

Carried.

SBU Payment in Lieu of Taxes (PILOT) was the first item discussed. Alderperson Schlicht stated that in 2002, by resolution of the City Council, the tax equivalent payment from SBU was fixed at an annual amount of \$639,833 (\$315,832 from water and sewer utility and \$324,001 from electric utility). As of December 31, 2011, if the PILOT payment were to be calculated based on current year valuations and tax rates, the amount payable to the City from SBU it would increase over and above the amount established in the City's 2002 PILOT resolution. He added that at the April 8, 2012 meeting of the SBU Commission they considered the PILOT payment. Jim Stawicki, Sturgeon Bay Utilities General Manager, added that the formula is controlled by a state statute. Moved by Alderperson Schlicht, seconded by Alderperson Wiegand to forward the resolution to Common Council for Payment of Property Tax Equivalent and Annual Appropriation from SBU, retroactive to December 31, 2011. Carried.

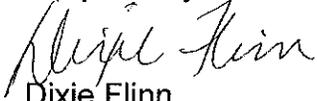
Mr. Paul Denis presented the audit report for the year ending December 31, 2011. He then reviewed the City's financial status and explained the different statements that comprise the audit report. Mr. Denis also stated that the City is in an excellent financial position. Mr. Denis stated that Schenck Business Solutions also audited Sturgeon Bay Utilities. He stated that Sturgeon Bay Utilities is also in excellent financial condition. Mr. Denis answered questions brought forward by the Committee. Moved by Alderperson Wiegand, seconded by Alderperson Schlicht to recommend to the Common Council to accept the Schenck Business Solutions 2011 audit report and place it on file. Carried.

The Committee reviewed the unfinished business list.

Moved by Alderperson Wiegand, seconded by Alderperson Schlicht to accept the bills as presented and forward to the Common Council for payment. Carried.

Moved by Alderperson Wiegand, seconded by Alderperson Schlicht to adjourn. Carried. The meeting adjourned at 8:16 p.m.

Respectfully submitted,



Dixie Flinn

Office/Accounting Assistant II

CABLE COMMUNICATION SYSTEM ADVISORY COUNCIL
May 10, 2012

A meeting of the Cable Communication System Advisory Council was called to order at 4:30 p.m. by Chairperson Fett in Council Chambers, City Hall. Roll call: Members Fett, Schmeling, Emery and Stutting were present. Excused: Members Allmann and Clinkenbeard. Weber arrived at 4:31 p.m. Also present: Jason Mann of Mann Communications, LLC, City Administrator McNeil, Alderperson Schlicht and Office/Accounting Assistant I Spittlemeister.

Moved by Mr. Schmeling, seconded by Ms. Emery to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Consideration of: Transfer of Funds re: Equipment purchase.
4. Consideration of: Update on new equipment installation.
5. Adjourn.

Carried.

Ms. Weber entered the meeting at 4:31 p.m.

Consideration of: Transfer of Funds re: Equipment purchase:

Jason Mann of Mann Communications, LLC explained the following transfer of funds to complete the Council Chamber audio/video upgrade. The transfer would allow completion of the final phase, which includes labor and miscellaneous parts. Moved by Mr. Stutting, seconded by Mr. Schmeling to recommend to Community Protection & Services Committee to transfer funds from Equipment-School account # 21-000-007-59070 to Equipment account #21-000-000-59070 in the amount of \$6,500.00 to complete the Council Chambers audio/video upgrade. Carried.

Consideration of: Update on new equipment installation:

Jason Mann explained the installation of the new equipment in Council Chambers and the media room. With the new broadcasting equipment, live feeds will be able to be broadcast in digital. The estimated time is two or three weeks for completion. No action was needed.

Mr. Schmeling suggested sending a letter of thanks to John Lodl for chairing the Cable Communication System Advisory Council for the past two years.

Moved by Ms. Weber, seconded by Ms. Emery to adjourn. Carried. The meeting adjourned at 4:37 p.m.

Respectfully submitted,



Laurie Spittlemeister
Office/Accounting Assistant I

COMMUNITY PROTECTION & SERVICES COMMITTEE
May 10, 2012

A meeting of the Community Protection & Services Committee was called to order at 5:00 p.m. by Chairperson Fett in Council Chambers, City Hall. Roll call: Members Fett, Wiesner and Schlicht were present. Also present: Jason Mann of Mann Communications, LLC, City Administrator McNeil, Community Development Director Olejniczak, Police Chief Porter, Fire Chief Herlache, members of the general public and Office/Accounting Assistant I Spittlemeister.

Moved by Mr. Schlicht, seconded by Mr. Wiesner to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Consideration of: Property Maintenance issue – Henry Isaksen.
4. Consideration of: Off Premises Sign – John Martin’s Restaurant.
5. Consideration of: Transfer of Funds re: Equipment.
6. Consideration of: Update on new equipment installation.
7. Review of Bills.
8. Adjourn.

Carried.

Consideration of: Property Maintenance issue – Henry Isaksen:

Henry Isaksen, Sturgeon Bay, received a notice of property maintenance code violation for his property at 48 W Oak Street on April 5, 2012. Mr. Isaksen mentioned that the violation stated he had 30 days to remove discarded items, repair and paint the garage on premises. As part of his right, he could request a hearing before the Community Protection and Services Committee within five business days of the notice, in which he did. Since his property is zoned commercial, not residential, Mr. Isaksen feels he should not be cited for residential ordinances.

Community Development Director Olejniczak explained that the property is zoned commercial. However, his property would be under violation under the property maintenance code.

Fire Chief Herlache stated he understood Mr. Isaksen’s frustration with the City being reactive rather than proactive. If the property was cleaned up and openings closed up in the garage, that would be adequate.

Mr. Isaksen agreed to make the necessary repairs and clean up the lot. Moved by Mr. Schlicht, seconded by Mr. Wiesner to extend the time frame from 30 days to 90 days for Henry Isaksen to repair the garage and remove discarded items from lot. Carried.

Consideration of: Off Premises Sign – John Martin’s Restaurant:

Community Development Director Olejniczak stated that John Brash, owner of John Martin’s Restaurant, wants to erect a directional sign on Michigan Street pointing to his establishment. Mr. Olejniczak is not in favor of changing the sign code unless the committee is interested. Committee Members felt that the streets would be too cluttered with additional signage and another form of advertisement. No action was taken.

Consideration of: Transfer of Funds re: Equipment:

Cable Communication System Advisory Council recommended to the Community Protection & Services Committee to transfer funds from School Equipment to General Equipment in the Cable Fund. Jason Mann of Mann Communications, LLC explained the transfer of funds to

complete the Council Chamber audio/video upgrade. This transfer would allow completion of the final phase, which includes labor and miscellaneous parts. Moved by Mr. Schlicht, seconded by Mr. Wiesner to recommend to Common Council to transfer funds from Equipment-School account #21-000-007-59070 to Equipment account #21-000-000-59070 in the amount of \$6,500.00 to complete the Council Chamber audio/video upgrade. Carried.

Consideration of: Update on new equipment installation:

Jason Mann explained the installation of new video and broadcasting equipment in Council Chambers. Most of the items have already been completed. There are a few items that need to be cleaned up, which will only take two or three weeks to complete. No action was needed.

Review of Bills:

Jason Mann of Mann Communications, LLC, explained the invoices submitted for payment. Moved by Mr. Schlicht, seconded by Mr. Wiesner to approve the invoices submitted for payment as of May 10, 2012, in the amount of \$3,655.09. Carried.

Moved by Mr. Schlicht, seconded by Mr. Wiesner to adjourn. Carried. The meeting adjourned at 5:38 p.m.

Respectfully submitted,



Laurie Spittlemeister
Office/Accounting Assistant

**BOARD OF CANVASSERS
MAY 14, 2012**

A meeting of the Board of Canvassers was called to order at 8:30 a.m. by Chairperson Reinhardt in Council Chambers, City Hall. Roll call: Members Reinhardt, Clarizio and Allen were present.

A motion was made by Allen/Clarizio to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Canvass for the purpose of counting any outstanding absentees from May 8, 2012 Election
4. Adjourn.

Carried.

It was noted that no outstanding absentees were returned by the deadline of 4 pm following the date of the election. No action was taken.

A motion was made by Allen/Clarizio to adjourn. Carried. The meeting adjourned at 8:31 a.m.

Respectfully submitted,



Stephanie L. Reinhardt
City Clerk

CITY PLAN COMMISSION

Wednesday, May 16, 2012

A meeting of the City Plan Commission was called to order at 7:04 p.m. by Chairperson Dan Wiegand in Council Chambers, City Hall, 421 Michigan Street.

Roll call: Members Steve Parent, John Lodi, Mike Gilson, Laurel Brooks, and Dan Wiegand were present. Excused: Members Dennis Statz and Jeff Norland. Also present were Community Development Director Marty Olejniczak and Community Development Secretary Cheryl Nault.

Adoption of agenda: Moved by Mr. Lodi, seconded by Ms. Brooks to approve the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from April 18, 2012.
4. Public comment on non-agenda items.
5. Consideration of: Memorial Drive shoreline improvements for John and Cathy Wiese, 1358 Memorial Drive.
6. Consideration of: Design standards for new development.
7. Adjourn.

Carried.

Approval of minutes from April 18, 2012: Moved by Mr. Gilson, seconded by Ms. Brooks to approve the minutes from April 18, 2012. Carried.

Public comment on non-agenda items: No one spoke during public comment.

Consideration of: Memorial Drive shoreline improvements for John and Cathy Wiese, 1358 Memorial Drive: Mr. Olejniczak stated that the City has a scenic easement along a portion of Memorial Drive. This easement includes some restrictions that are found in the zoning code. Council approval is needed for filling, as well as other improvements within the easement. John and Cathy Wiese have plans for some shoreline improvements. Plan Commission needs to determine if the improvements will hinder the view along Memorial Drive or hurt the City's ability to maintain the grass, etc. Staff did not feel there would be any impacts on the property.

John Wiese explained that a few years ago they received Council approval for other improvements that they had done, including a sidewalk, firepit, and a power pedestal. They would now like to enhance their shoreline and install a 23' x 3' stabilized wall with a staircase. Baylake Landscape would do the installation.

After further discussion, it was moved by Ms. Brooks, seconded by Mr. Wiegand to recommend to Council approval of the proposed shoreline improvements for John and Cathy Wiese, 1358 Memorial Drive. All ayes. Carried.

Consideration of: Design standards for new development: Mr. Olejniczak discussed the proposed code and set of design guidelines for commercial and multifamily development. The aesthetic design and site plan review board would be created with possibly 5 members. He asked if there should be certain criteria to serve on the board

and is welcome to any suggestions or ideas. The applicant would apply for a certificate of appropriateness, the same as the Waterfront Design Review code and Historic Preservation code, when a new project is proposed. A short application is filled out and a meeting is held for the board that would review the project. If approved, a certificate of appropriateness is issued, which allows the building inspector to issue permits. If not, the applicant would have to make changes to satisfy the board or continue with an appeal process. When this code was originally drafted, the appeals went before the Zoning Board of Appeals and the applicant would have to show some type of hardship. The other design codes have the appeals going before the Council. Members agreed that the appeals should go before the Council.

Mr. Gilson began discussion regarding the 45 days the board has to approve or deny an application, with an additional 10 days in which the applicant shall be notified of the decision. It was also questioned if the certificate of appropriateness should be valid for more than one year. Another issue was material and color. The board should be aware of what color a building would be painted and give their opinion. Mr. Olejniczak responded to the 45 days. It would depend on the number of cases received. Currently the review boards meet as needed.

Moved by Mr. Wiegand to accept the proposed code as presented.

Mr. Olejniczak stated that a public hearing would be held. The proposed code should also be reviewed by the City Attorney.

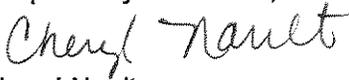
Mr. Wiegand withdrew his motion. He recommended that this be reviewed by the City Attorney for his approval and be brought back to the next meeting, as well as changing the appeal process to go before the Council and also address the paint issue.

Mr. Parent would like to see less than 45 days to respond to an application. If changes need to be made and the Board has to take another look at it, that can lengthen the process. Applicants may also need approval of the other boards, which would take additional time.

Mr. Olejniczak thought that the initial meeting has to occur within a certain amount of time of application. He also felt that Council members should be excluded from the composition of the Board. He will make changes and forward on to the City Attorney for review.

Adjourn: Moved by Mr. Gilson, seconded by Ms. Brooks to adjourn. Carried. Meeting adjourned at 7:36 p.m.

Respectfully submitted,


Cheryl Nault
Community Development Secretary

COMMITTEE OF THE WHOLE
May 17, 2012

A meeting of the Committee of the Whole was called to order at 5:00 p.m. by Mayor Birmingham in the Community Room, City Hall. Roll call: Mayor Birmingham and Alderpersons Vandertie, Lodi, Wiesner, Stutting, Fett, and Schlicht were present. Alderperson Wiegand was excused. Staff present: City Administrator McNeil, Assistant City Administrator Allen, City Clerk Reinhardt, Finance Director/Treasurer Clarizio, Community Development Director Olejniczak, Municipal Services Superintendent Bordeau, City Engineer Depies, Police Chief Porter, and Police Captain Brinkman. Also present: Utilities General Manager Stawicki, Door County Sheriff Vogel, and members of the public.

Schlicht/Stutting to adopt the following agenda:

1. Call to order.
2. Roll call.
3. Adoption of agenda.
4. Consideration of: FY2012 City Budget Principles.
5. Consideration of: 2013 Budget Calendar.
6. Consideration of: Funding Sturgeon Bay Visitors Center.
7. Consideration of: Police Consolidation.
8. Adjourn.

Carried.

Consideration of: FY2012 City Budget Principles:

Vandertie/Stutting to accept the Budget Principles established for the 2009 budget for the 2013 budget. The Committee discussed the following five budget principles individually:

1. *No use of fund balance from General Fund for operating budget.* Ald. Lodi said his preference is not to use the General Fund balance, but asked that this principle be kept open not knowing what budgetary constraints there will be for 2013, and also said fund balances have grown. Alderpersons Stutting and Fett cautioned against using fund balance for operating expenses. Finance Director/City Treasurer Clarizio noted although fund balance has not been used for operating, it has been used for special projects/purchases. The City Administrator explained when there is an operating surplus, it's applied to the next year's budget and given back to the taxpayers in that manner. Ald. Schlicht said he is not in favor of using fund balance for operating but is in favor of using it for other things, has concerns the balance continues to grow, and asked if there's a need to apply a ceiling. The Mayor said that should be a decision the Council can make each year after an estimate of the fund balance is known. The City Administrator pointed out the budget principles are established as guidelines for staff in preparing the budget, but do not prohibit the Council from using fund balance.
2. *Apply all operating surpluses to current year budget.* Ald. Lodi asked if there is a way to use projected surplus funds during the year for projects cut in the budget due to funding constraints. The City Administrator reported that any surplus isn't known until near the end of the year and applied to the following year's budget. Ald. Stutting said he assumes as budgets will become tighter, at some point there may not be as much available.
3. *No use of debt for Operating Expenses.* No discussion.

4. *Use of Capital Fund balance only for Capital assets.* The City Administrator explained the principle means that capital reserves won't be used to balance the budget, and it is separate from the General Fund balance. In response to questions from Ald. Schlicht, it was clarified that if there is a change in the capital budget during the year, the savings would go into the Capital Fund balance and Council would have the option to take it out. Discussion took place regarding how capital surplus is applied to the following year's capital budget in the same manner as operating, how capital projects are budgeted, and how borrowing affects the budget.
5. *Maintain current levels of service and workforce.* Ald. Schlicht stated he believes strongly in maintaining current levels of safety and service but does not agree with the workforce part of the principle, and thinks it limits the potential to subcontract and downsize. He said he doesn't feel the same number of work hours or dollars have to be expended in order to maintain safety and service. Ald. Lodi said he would like to see this principle eliminated. Ald. Stutting said he hopes staff will look at the budget to maintain the current services and workforce if possible, and doesn't believe the majority of taxpayers don't care about losing services for less taxes. The Committee discussed how reduction in workforce could affect service level. Ald. Fett said these are principles staff is being asked to use in preparing the budget, and it should stay as a principle.

Schlicht/Lodi to amend the motion and change Budget Principle number 5 from maintaining current levels of service and workforce, to maintaining current levels of safety and service. Roll call vote on amendment: Lodi and Schlicht voted aye. Vandertie, Wiesner, Stutting, Fett, and Birmingham voted no. Amendment failed.

Lodi/Schlicht to amend the motion to add a Budget Principle that there be a zero percent increase in non-union wages for 2013.

Ald. Vandertie suggested that if increases are considered, the Finance Committee decide on a total dollar amount and the City Administrator, Mayor, and Finance Chair determine how to allocate to employees rather than across the board increases. Ald. Lodi noted past increases. As discussion continued, the Mayor said the Committee should be looking at the principles as a broad set of guidelines, and if they are narrowed it limits staff's ability to develop budgets.

Roll call vote taken on amendment: Lodi voted aye. Wiesner, Stutting, Fett, Schlicht, Birmingham, and Vandertie voted no. Amendment failed.

Schlicht/Lodi to amend the motion to have the principles include a stated percentage ceiling and floor for fund balance and capital budget balance by budget time.

Roll call vote on amendment: Schlicht and Lodi voted aye. Wiesner, Stutting, Fett, Birmingham, and Vandertie voted no. Amendment failed.

Roll call vote on the original motion: Stutting, Fett, Schlicht, Birmingham, Vandertie, and Wiesner voted aye. Lodi voted no. Carried.

Consideration of: 2013 Budget Calendar:

Fett/Vandertie to accept the budget calendar as published. Roll call: All voted aye. Carried.

Consideration of: Funding Sturgeon Bay Visitors Center:

The City Administrator reported that in the past Cable TV funds have been used to fund SBVC and unrestricted funds that can be used for 2013 is \$47,190. The Committee discussed how to fund SBVC, whether funding should continue on the same level, funding availability, and alternative funding sources.

Stutting/Fett to have \$65,000 as part of the 2013 City budget for SBVC. Ald. Stutting clarified that the funding would be through tax and not cable TV dollars.

When asked about the possibility of a Business Improvement District as an alternative funding mechanism, Community Development Director Olejniczak explained that creation of a BID is initiated by the businesses, whereby business and property owners agree to tax themselves, with the Council approving creation of the district.

Finance Director/City Treasurer Clarizio was asked about amount funded for Door County Economic Development Corp. and she reported the City will provide approximately \$43,000 in 2012 to DCEDC for various services it provides to the City.

Schlicht/Wiesner to amend the motion to limit the contribution to SBVC to an amount equal to what is funded for Door County Economic Development Corp.

Discussion continued regarding use of Cable TV Funds.

Roll call vote on amendment: Schlicht, Birmingham, Vandertie, Wiesner, Stutting, and Fett voted aye. Lodi voted no. Carried. Roll call vote on motion as amended: Birmingham, Vandertie, Wiesner, Stutting, Fett, and Schlicht voted aye. Lodi voted no. Carried.

Consideration of: Police Consolidation:

Moved by Vandertie to come back at another date with items already being consolidated between City and County. Motion died due to lack of a second.

Vandertie/Fett to leave current policing as is and not to consolidate.

Ald. Stutting recommended that the Police Chief take a look at how to generate revenue as has been done with the Fire Department, and if there are possibilities to expand and contract out some services.

Ald. Schlicht said he sees opportunities to grow a departmental entity, believes that consolidation could occur, wants presentations from both the Sheriff and Chief with pros and cons, and to make a decision this year.

Ald. Lodi said it is an area to look at for duplication of services, but feels more information is needed. He suggested rather than paying for a study to have the Chief and Sheriff bring forward information as to what would be required in a contract as far as what the City would require a law enforcement entity to do.

Mayor Birmingham stated any study should be done professionally by an unbiased party and he believes the department is well run and there is no need for consolidation.

Discussion continued and a roll call vote was taken on the motion: Vandertie, Wiesner, Stutting, Fett, and Birmingham voted aye. Lodi and Schlicht voted no. Carried.

Vandertie/Fett to adjourn. Carried. The meeting adjourned at 7:29 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mary Lou Allen".

Mary Lou Allen
Assistant City Administrator

PARKING AND TRAFFIC COMMITTEE
Monday, May 21, 2012

A meeting of the Parking and Traffic Committee was called to order at 4:02 p.m. by Chairperson Schlicht in Council Chambers, City Hall, 421 Michigan Street.

Members Schlicht, and Wiesner were present. Also present: City Administrator McNeil, City Engineer Depies, Police Captain Brinkman, Mayor Birmingham and Municipal Services Secretary Lenius.

Adoption of Agenda: Moved by Mr. Wiesner, second by Mr. Schlicht to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Public comment.
4. Consideration of: Stop signs on Joliet Ave at Juniper St
5. Adjourn.

No one spoke during public comment.

Consideration of: Stop signs on Joliet Ave at Juniper St: Mr. Depies stated the 4-way stop signs have been in place since 2003. According to the DOT traffic counts, approximately 1,300 vehicles a day travel on Joliet Avenue and less than 450 vehicles a day travel on Juniper Street. Due to the traffic counts, Joliet Avenue should have the right of way and Juniper traffic should yield, so there is no need for a stop condition on Joliet, and would recommend removing the stop sign.

Mr. Vandertie entered at 4:05.

Captain Brinkman stated the police department has no issue with this intersection and has no specific crash data or an excessive amount of stop violations.

Moved by Mr. Schlicht, Seconded by Mr. Weisner to recommend to council to remove the stop signs on Joliet Avenue at Juniper Street. All in favor. Carried.

Mr. Depies stated a "Cross Traffic Does Not Stop" sign could be put up temporarily.

Mayor Birmingham asked if yield to pedestrian delineators could be place out since Otumba park in adjacent to this intersection.

Mr. Schlicht requested that letters be sent to both St. John Bosco and St. Peters schools making them aware this item will be on the next council agenda.

Motion by Mr. Weisner, second by Mr. Vandertie to adjourn. All in favor. Carried.

Meeting adjourned at 4:10 p.m.

Respectfully Submitted,



Jennifer Lenius
Municipal Services Secretary

PERSONNEL COMMITTEE
May 23, 2012

A meeting of the Personnel Committee was called or order at 7:00 p.m. by Chairperson Vandertie in the second floor conference room, City Hall. Roll call: Members Vandertie and Wiegand were present. Member Stutting was excused. Also present: Ald. Schlicht, City Administrator McNeil, Municipal Services Superintendent Bordeau, and Assistant City Administrator Allen.

Moved by Mr. Vandertie, seconded by Mr. Wiegand to adopt the following agenda:

1. Call to order.
2. Roll call.
3. Adoption of agenda.
4. Convene in closed session in accordance with the following exemption:

Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. Wis.Stats.19.85(1)(c).

Consideration of: The performance and employment of a public employee over which the City's Personnel Committee has jurisdiction or exercises responsibility.

Move to reconvene in open session to take formal action upon preceding subject of closed session, if appropriate; or to conduct discussion or give further consideration where the subject is not appropriate for closed session consideration. The Committee may adjourn in closed session.

6. Adjourn.

Carried.

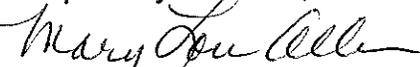
After the Chairperson announced the statutory basis, it was moved by Mr. Wiegand, seconded by Mr. Vandertie to convene in closed session. Roll call: All voted aye. Carried. The meeting moved to closed session at 7:01 p.m.

The meeting reconvened in open session at 7:04 p.m.

Moved by Mr. Vandertie, seconded by Mr. Wiegand to terminate the employment of Sanitation Worker/Driver Chad Walter. It was noted that required procedures have been followed. All voted aye. Carried.

Moved by Mr. Vandertie, seconded by Mr. Wiegand to adjourn. Carried. The meeting adjourned at 7:05 p.m.

Respectfully submitted,


Mary Lou Allen
Assistant City Administrator

7b10.

7b10.

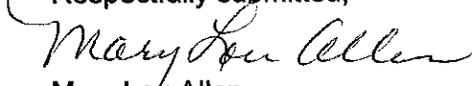
CLOSED SESSION
PERSONNEL COMMITTEE
May 23, 2012

The closed session of the Personnel Committee was convened at 7:01 p.m. by Chairperson Vandertie in the second floor conference room, City Hall. Members Vandertie and Wiegand were present. Member Stutting was excused. Also present: Ald. Schlicht, City Administrator McNeil, Municipal Services Superintendent Bordeau, and Assistant City Administrator Allen.

The Committee considered the performance and employment of Sanitation Worker/Driver Chad Walter.

Moved by Mr. Vandertie, seconded by Mr. Wiegand to reconvene in open session. All voted aye. Carried. The meeting reconvened in open session at 7:04 p.m.

Respectfully submitted,


Mary Lou Allen
Assistant City Administrator

Approved for publication:

By: 
Stephen B. McNeil, City Administrator

Date: 5/29/12



Visit our website at: www.sturgeonbaywi.org

MEMO

To: Mayor and Common Council
From:  Valerie J. Clarizio, Finance Director/Treasurer
Subject: 2011 Year-end and 2012 Year-to-date Financial Reports
Date: May 8, 2012

Earlier this month the City received the 2011 financial audit from Schenck Government & Not-for-Profit Solutions. As a result, please find the attached December 2011 bank reconciliation and financial report, as well as, the most current bank reconciliation and financial report for the year 2012, dated April 30, 2012. Since the April reports are cumulative, I did not include the January, February and March 2012 financial reports. However, if you would like copies of the financial reports for those months please contact me and I will forward them to you.

DECEMBER 2011 BANK RECONCILIATION

CHECKING ACCOUNTS

GENERAL FUND BAYLAKE	WDF BAYLAKE	TIF #3 WIRETECH BAYLAKE
2,655,171.79	559,276.93	38,307.12
5,192,753.12	4,120.35	0.00
2,752,653.90	0.00	0.00
138,209.80	0.00	0.00
30,871.22	0.00	0.00
<u>4,987,932.43</u>	<u>562,397.28</u>	<u>38,307.12</u>
4,999,148.11	562,397.28	38,307.12
11,215.68	0.00	0.00
<u>4,987,932.43</u>	<u>562,397.28</u>	<u>38,307.12</u>

INVESTMENT ACCOUNTS

GENERAL/CAPITAL FUND INVESTMENTS
1,370,643.17
252.70
2,441.28
0.00
0.00
<u>1,368,454.59</u>
1,368,454.59
0.00
<u>1,368,454.59</u>

SAVINGS ACCOUNTS

GENERAL FUND STATE - #2	GENERAL FUND BAYLAKE BANK - MIMBI	TIF #1 DEBT STATE - #11	TOURISM FUND STATE - #12	WDF STATE - #4	CAPITAL - BUILDING DEBT STATE - #9	TIF #3 DEBT STATE - #08	TIF #3 CONSTRUCTION STATE - #14
2,940,743.65	15,943.66	137,377.65	43,271.58	3,644.07	5,934.14	195,094.43	90,726.90
603.30	1.30	16.28	5.13	0.43	0.70	23.12	10.75
30,000.00	299.59	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2,911,346.95</u>	<u>15,945.37</u>	<u>137,393.93</u>	<u>43,276.71</u>	<u>3,644.50</u>	<u>5,934.84</u>	<u>195,117.55</u>	<u>90,737.65</u>
2,911,346.95	15,945.37	137,393.93	43,276.71	3,644.50	5,934.84	195,117.55	90,737.65

TIF #2 BAYLAKE - NMBA	TIF #2 STATE - #3	TIF #2 DEBT 98A&B STATE - #10	TIF #2 AMENDED AREA CONST. - STATE - #06	TIF #2 AMENDED AREA CAP. INT. - STATE - #7	TIF #2-CAPITAL MAINT. STATE - #15	TIF #2 WFRDA DEBT RES. STATE - #13	TIF #2 AMENDED CITY FUND STATE - #5
3,718.55	812.77	166,615.67	73,113.96	110,675.29	157,671.80	1,652,811.23	1,544.48
0.31	31,547.63	19.74	8.66	13.11	18.68	195.83	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,544.48
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>3,718.86</u>	<u>32,360.40</u>	<u>166,635.41</u>	<u>73,122.62</u>	<u>110,688.40</u>	<u>157,690.48</u>	<u>1,653,007.06</u>	<u>0.00</u>
3,718.86	32,360.40	166,635.41	73,122.62	110,688.40	157,690.48	1,653,007.06	0.00

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: GENERAL FUND
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
REVENUES						
GENERAL FUND	835,109.01	885,660.88	6.0	10,021,304.00	8,425,294.30	(15.9)
TOTAL REVENUES	835,109.01	885,660.88	6.0	10,021,304.00	8,425,294.30	(15.9)
EXPENSES						
GENERAL FUND	56,188.57	1,865.00	96.6	674,260.00	560,109.11	16.9
MAYOR	1,009.60	920.02	8.8	12,115.00	12,282.57	(1.3)
CITY COUNCIL	5,036.26	4,521.30	10.2	60,435.00	57,694.17	4.5
LAW/LEGAL	6,250.01	22,579.63	(261.2)	75,000.00	73,034.36	2.6
CITY CLERK-TREASURER	27,006.73	23,866.00	11.6	324,080.00	307,954.42	4.9
ADMINISTRATION	18,154.61	17,116.52	5.7	217,855.00	211,141.31	3.0
COMPUTER	4,379.20	11,086.75	(153.1)	52,550.00	51,489.63	2.0
CITY ASSESSOR	8,050.51	14,594.39	(81.2)	96,605.00	108,682.77	(12.5)
BOARD OF REVIEW	205.44	0.00	100.0	2,465.00	753.57	69.4
BUILDING/ZONING CODE ENFORCEMT	5,753.35	5,963.35	(3.6)	69,040.00	71,309.26	(3.2)
MUNICIPAL SERVICES ADMIN.	17,097.14	12,735.14	25.5	205,165.00	188,511.66	8.1
PUBLIC WORKS ADMINISTRATION	17,676.73	18,100.73	(2.3)	212,120.00	203,978.39	3.8
ELECTIONS DEPARTMENT	1,167.94	0.00	100.0	14,015.00	10,577.49	24.5
CITY HALL	14,014.67	12,955.45	7.5	168,175.00	143,456.99	14.6
INSURANCE	23,205.04	(5,727.26)	124.6	278,460.00	238,798.54	14.2
GENERAL EXPENDITURES	77,161.21	503,103.94	(552.0)	925,934.00	551,785.07	40.4
POLICE DEPARTMENT	37,413.40	62,406.28	(66.8)	448,960.00	446,698.27	0.5
PATROL BOAT	892.10	0.00	100.0	10,705.00	4,153.98	61.1
PARKING ENFORCEMENT	0.00	0.00	0.0	0.00	0.00	0.0
POLICE DEPARTMENT/PATROL	139,720.92	211,343.91	(51.2)	1,676,650.00	1,674,414.14	0.1
POLICE DEPT. / INVESTIGATIONS	18,855.88	11,697.40	37.9	226,270.00	133,506.56	40.9
FIRE DEPARTMENT	138,300.92	225,532.01	(63.0)	1,659,610.00	1,687,894.01	(1.7)
STORM SEWERS	4,192.95	9,105.20	(117.1)	50,315.00	37,805.46	24.8
SOLID WASTE MGMT/SPRING/FALL	6,325.03	12,989.65	(105.3)	75,900.00	85,420.05	(12.5)
COMPOST/SOLID WASTE SITE	2,697.94	408.48	84.8	32,375.00	25,359.20	21.6
STREET SWEEPING	2,993.35	338.18	88.7	35,920.00	27,708.54	22.8
WEED ABATEMENT	568.35	1,118.54	(96.8)	6,820.00	5,366.86	21.3
ROADWAYS/STREETS	17,641.29	21,220.65	(20.2)	211,695.00	227,472.25	(7.4)
SNOW REMOVAL	17,646.26	20,021.36	(13.4)	211,755.00	174,714.26	17.4
STREET SIGNS AND MARKINGS	4,797.52	2,008.13	58.1	57,570.00	52,696.99	8.4
CURB/GUTTER/SIDEWALK	1,141.26	141.00	87.6	13,695.00	8,804.41	35.7
STREET MACHINERY	14,740.04	28,969.77	(96.5)	176,880.00	166,180.48	6.0
CITY GARAGE	5,537.95	12,252.13	(121.2)	66,455.00	52,571.74	20.8
CELEBRATION & ENTERTAINMENT	3,054.60	1,630.82	46.6	36,655.00	36,844.11	(0.5)
HIGHWAYS - GENERAL	42,451.29	51,992.81	(22.4)	509,415.00	497,917.21	2.2
PARK & RECREATION ADMIN	11,166.32	11,998.12	(7.4)	133,995.00	136,373.96	(1.7)
PARKS AND PLAYGROUNDS	33,772.20	39,606.52	(17.2)	405,265.00	381,565.46	5.8
BALLFIELDS	2,510.02	1,509.24	39.8	30,120.00	21,542.13	28.4
ICE RINKS	832.94	57.99	93.0	9,995.00	8,281.65	17.1
BEACHES	272.94	0.00	100.0	3,275.00	1,011.54	69.1

FOR FUND: GENERAL FUND
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
EXPENSES						
MUNICIPAL DOCKS	3,691.73	5,166.31	(39.9)	44,300.00	35,311.98	20.2
WATER WEED MANAGEMENT	8,093.39	0.00	100.0	97,120.00	82,252.28	15.3
WATERFRONT PARKS & WALKWAYS	4,490.44	1,398.46	68.8	53,885.00	40,729.85	24.4
EMPLOYEE BENEFITS	2,041.68	3,521.15	(72.4)	24,500.00	25,095.43	(2.4)
PUBLIC FACILITIES	6,357.50	0.00	100.0	76,290.00	72,465.03	5.0
BOARDS AND COMMISSIONS	156.26	0.00	100.0	1,875.00	215.37	88.5
COMMUNITY & ECONOMIC DEVELOPMENT	20,397.14	19,218.54	5.7	244,765.00	235,258.55	3.8
TOTAL EXPENSES	835,110.62	1,399,333.61	(67.5)	10,021,304.00	9,177,191.06	8.4
TOTAL FUND REVENUES	835,109.01	885,660.88	6.0	10,021,304.00	8,425,294.30	(15.9)
TOTAL FUND EXPENSES	835,110.62	1,399,333.61	(67.5)	10,021,304.00	9,177,191.06	8.4
SURPLUS (DEFICIT)	(1.61)	(513,672.73)	5038.5	0.00	(751,896.76)	100.0

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: CAPITAL FUND
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI- ANCE	FISCAL YEAR BUDGET	YEAR-TO-DATE ACTUAL	FISCAL % VARI- ANCE
REVENUES	434,284.22	641,299.07	47.6	5,211,410.00	3,496,356.20	(32.9)
TOTAL REVENUES	434,284.22	641,299.07	47.6	5,211,410.00	3,496,356.20	(32.9)
EXPENSES						
CITY CLERK-TREASURER	0.00	0.00	0.0	0.00	0.00	0.0
ADMINISTRATION	0.00	0.00	0.0	0.00	0.00	0.0
COMPUTER	1,083.34	6,588.50	(508.1)	13,000.00	9,114.74	29.8
CITY ASSESSOR	0.00	0.00	0.0	0.00	0.00	0.0
MUNICIPAL SERVICES ADMIN.	0.00	0.00	0.0	0.00	0.00	0.0
CITY HALL	0.00	0.00	0.0	0.00	0.00	0.0
GENERAL EXPENDITURES	55,200.02	12,750.00	76.9	662,400.00	668,665.29	(0.9)
POLICE DEPARTMENT	0.00	0.00	0.0	0.00	0.00	0.0
PATROL	31,882.49	10,655.57	66.5	382,590.00	100,306.46	73.7
POLICE DEPT. / INVESTIGATIONS	0.00	0.00	0.0	0.00	0.00	0.0
FIRE DEPARTMENT	2,552.10	0.00	100.0	30,625.00	21,825.85	28.7
STORM SEWERS	7,500.00	25,600.92	(241.3)	90,000.00	87,159.95	3.1
SOLID WASTE MGMT/REFUSE/RECYCL	0.00	0.00	0.0	0.00	0.00	0.0
ROADWAYS/STREETS	2,916.67	33,070.00	(1033.8)	35,000.00	33,070.00	5.5
SNOW REMOVAL	247,916.70	159,395.21	35.7	2,975,000.00	1,748,400.20	41.2
CURB/GUTTER/SIDEWALK	10,416.67	0.00	100.0	125,000.00	112,342.35	10.1
CITY GARAGE	25,124.59	34,274.55	(36.4)	301,495.00	114,416.41	62.0
PARKS AND PLAYGROUNDS	833.34	0.00	100.0	10,000.00	7,630.00	23.7
BALLFIELDS	6,583.35	1,824.00	72.2	79,000.00	105,554.65	(33.6)
ICE RINKS	1,083.34	0.00	100.0	13,000.00	5,223.70	59.8
BEACHES	416.67	0.00	0.0	0.00	0.00	0.0
MUNICIPAL DOCKS	0.00	0.00	100.0	5,000.00	0.00	100.0
WATER WEED MANAGEMENT	0.00	0.00	0.0	0.00	0.00	0.0
WATERFRONT PARKS & WALKWAYS	541.68	0.00	0.0	0.00	0.00	0.0
SANITARY & WATER MAIN	37,500.01	0.00	100.0	6,500.00	0.00	100.0
PUBLIC FACILITIES	0.00	0.00	0.0	450,000.00	0.00	100.0
COMMUNITY & ECONOMIC DEVLPMT	1,250.00	0.00	100.0	15,000.00	0.00	100.0
TOTAL EXPENSES	432,800.97	284,158.75	34.3	5,193,610.00	3,013,709.60	41.9
TOTAL FUND REVENUES	434,284.22	641,299.07	47.6	5,211,410.00	3,496,356.20	(32.9)
TOTAL FUND EXPENSES	432,800.97	284,158.75	34.3	5,193,610.00	3,013,709.60	41.9
SURPLUS (DEFICIT)	1,483.25	357,140.32	3978.2	17,800.00	482,646.60	2611.4

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: CABLE TV
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	% VARI- ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI- ANCE
REVENUES						
CABLE TV / GENERAL	8,937.09	0.00	100.0	107,245.00	115,339.83	7.5
TOTAL REVENUES	8,937.09	0.00	100.0	107,245.00	115,339.83	7.5
EXPENSES						
CABLE TV / GENERAL	20,694.15	23,508.02	(13.5)	248,330.00	243,435.32	1.9
TOTAL EXPENSES	20,694.15	23,508.02	(13.5)	248,330.00	243,435.32	1.9
TOTAL FUND REVENUES	8,937.09	0.00	100.0	107,245.00	115,339.83	7.5
TOTAL FUND EXPENSES	20,694.15	23,508.02	(13.5)	248,330.00	243,435.32	1.9
SURPLUS (DEFICIT)	(11,757.06)	(23,508.02)	99.9	(141,085.00)	(128,095.49)	(9.2)

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TOURISM FUND
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
REVENUES						
TOURISM COMMITTEE / GENERAL	8,634.59	5.13	(99.9)	103,615.00	72,555.29	(29.9)
TOTAL REVENUES	8,634.59	5.13	(99.9)	103,615.00	72,555.29	(29.9)
EXPENSES						
TOURISM COMMITTEE / GENERAL	6,458.34	956.80	85.1	77,500.00	74,956.80	3.2
TOTAL EXPENSES	6,458.34	956.80	85.1	77,500.00	74,956.80	3.2
TOTAL FUND REVENUES	8,634.59	5.13	(99.9)	103,615.00	72,555.29	(29.9)
TOTAL FUND EXPENSES	6,458.34	956.80	85.1	77,500.00	74,956.80	3.2
SURPLUS (DEFICIT)	2,176.25	(951.67)	(143.7)	26,115.00	(2,401.51)	(109.1)

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #2 DISTRICT
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI- ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI- ANCE
REVENUES						
TID DISTRICT #2	137,025.60	3,012.48	(97.8)	1,644,307.00	3,661,882.74	122.7
TOTAL REVENUES	137,025.60	3,012.48	(97.8)	1,644,307.00	3,661,882.74	122.7
EXPENSES						
TID DISTRICT #2	228,502.23	46,410.29	79.6	2,742,026.00	2,627,564.29	4.1
TOTAL EXPENSES	228,502.23	46,410.29	79.6	2,742,026.00	2,627,564.29	4.1
TOTAL FUND REVENUES	137,025.60	3,012.48	(97.8)	1,644,307.00	3,661,882.74	122.7
TOTAL FUND EXPENSES	228,502.23	46,410.29	79.6	2,742,026.00	2,627,564.29	4.1
SURPLUS (DEFICIT)	(91,476.63)	(43,397.81)	(52.5)	(1,097,719.00)	1,034,318.45	(194.2)

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #1 DISTRICT
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
REVENUES						
TID #1 DISTRICT	32,781.68	16.28	(99.9)	393,380.00	393,787.58	0.1
TOTAL REVENUES	32,781.68	16.28	(99.9)	393,380.00	393,787.58	0.1
EXPENSES						
TID #1 DISTRICT	32,066.67	0.00	100.0	384,800.00	384,800.90	0.0
TOTAL EXPENSES	32,066.67	0.00	100.0	384,800.00	384,800.90	0.0
TOTAL FUND REVENUES	32,781.68	16.28	(99.9)	393,380.00	393,787.58	0.1
TOTAL FUND EXPENSES	32,066.67	0.00	100.0	384,800.00	384,800.90	0.0
SURPLUS (DEFICIT)	715.01	16.28	(97.7)	8,580.00	8,986.68	4.7

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #3 DISTRICT
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
TID #3 DISTRICT	14,939.43	33.87	(99.7)	179,273.00	126,630.88	(29.3)
TOTAL REVENUES	14,939.43	33.87	(99.7)	179,273.00	126,630.88	(29.3)
EXPENSES						
TID #3 DISTRICT	22,480.36	8,517.11	62.1	269,764.00	164,837.94	38.8
TOTAL EXPENSES	22,480.36	8,517.11	62.1	269,764.00	164,837.94	38.8
TOTAL FUND REVENUES	14,939.43	33.87	(99.7)	179,273.00	126,630.88	(29.3)
TOTAL FUND EXPENSES	22,480.36	8,517.11	62.1	269,764.00	164,837.94	38.8
SURPLUS (DEFICIT)	(7,540.93)	(8,483.24)	12.4	(90,491.00)	(38,207.06)	(57.7)

FOR FUND: REVOLVING LOAN FUND (STATE)
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
REVENUES						
REVOLVING LOAN FUND (STATE)	2,692.53	383,154.44	4130.2	32,310.00	408,000.75	1162.7
TOTAL REVENUES	2,692.53	383,154.44	4130.2	32,310.00	408,000.75	1162.7
EXPENSES						
REVOLVING LOAN FUND (STATE)	875.01	10,933.28	(1149.5)	10,500.00	10,933.28	(4.1)
TOTAL EXPENSES	875.01	10,933.28	(1149.5)	10,500.00	10,933.28	(4.1)
TOTAL FUND REVENUES	2,692.53	383,154.44	4130.2	32,310.00	408,000.75	1162.7
TOTAL FUND EXPENSES	875.01	10,933.28	(1149.5)	10,500.00	10,933.28	(4.1)
SURPLUS (DEFICIT)	1,817.52	372,221.16	379.6	21,810.00	397,067.47	1720.5

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: SOLID WASTE ENTERPRISE
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR ACTUAL	VARI-ANCE
REVENUES						
SOLID WASTE ENTERPRISE FUND	37,532.51	23,895.82	(36.3)	450,390.00	447,855.78	(0.5)
TOTAL REVENUES	37,532.51	23,895.82	(36.3)	450,390.00	447,855.78	(0.5)
EXPENSES						
SOLID WASTE ENTERPRISE FUND	32,071.76	104,514.99	(225.8)	384,860.00	400,734.35	(4.1)
TOTAL EXPENSES	32,071.76	104,514.99	(225.8)	384,860.00	400,734.35	(4.1)
TOTAL FUND REVENUES	37,532.51	23,895.82	(36.3)	450,390.00	447,855.78	(0.5)
TOTAL FUND EXPENSES	32,071.76	104,514.99	(225.8)	384,860.00	400,734.35	(4.1)
SURPLUS (DEFICIT)	5,460.75	(80,619.17)	(1576.3)	65,530.00	47,121.43	(28.0)

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

MUNICIPAL REPORT TOTALS
 FOR 12 PERIODS ENDING DECEMBER 31, 2011

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	%	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE	%
TOTAL MUNICIPAL REVENUES	1,511,936.66	1,937,077.97	28.1		18,143,234.00	17,147,703.35	(5.4)	
TOTAL MUNICIPAL EXPENSES	1,611,060.11	1,878,332.85	(16.5)		19,332,694.00	16,098,163.54	16.7	
SURPLUS (DEFICIT)	(99,123.45)	58,745.12	(159.2)		(1,189,460.00)	1,049,539.81	(188.2)	

APRIL 2012 BANK RECONCILIATION

CHECKING ACCOUNTS

GENERAL FUND BAYLAKE	WDF BAYLAKE	TIF #3 WIRETECH BAYLAKE	WEDC GRANT BAYLAKE
PRIOR G/L BALANCE	1,946,507.51	38,307.12	25,250.00
REVENUE	388,871.45	0.00	0.00
DISBURSEMENTS	1,159,388.80	0.00	0.00
AMOUNT IN TRANSIT	14,268.66	0.00	0.00
ADJUSTMENTS	26,282.31	0.00	0.00
ENDING BALANCE	1,188,003.81	38,307.12	25,250.00
BANK BALANCE	1,192,061.57	38,307.12	25,250.00
LESS OUTS. CHECKS	4,057.76	0.00	0.00
	1,188,003.81	38,307.12	25,250.00

INVESTMENT ACCOUNTS

GENERAL/CAPITAL FUND INVESTMENTS
1,368,449.57
248,260.11
281.66
0.00
0.00
1,616,428.02
1,616,428.02

SAVINGS ACCOUNTS

GENERAL FUND STATE - #2	GENERAL FUND BAYLAKE BANK - IMBI	TIF #1 DEBT STATE - #11	TOURISM FUND STATE - #12	WDF STATE - #4	CAPITAL - BUILDING DEBT STATE - #9	TIF #3 DEBT STATE - #08	TIF #3 CONSTRUCTION STATE - #14
PRIOR G/L BALANCE	4,425,699.38	437,592.66	1,506.22	603,703.60	5,936.93	227,994.61	81,758.84
REVENUE	867,913.13	5,459.53	0.14	61.48	0.70	26.12	9.59
DISBURSEMENTS	266,843.32	0.00	1,500.00	400,000.00	0.00	27,462.50	516.00
AMOUNT IN TRANSIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ENDING BALANCE	5,026,769.19	443,052.19	6.36	203,765.08	5,937.63	200,558.23	81,252.43
BANK BALANCE	5,026,769.19	443,052.19	6.36	203,765.08	5,937.63	200,558.23	81,252.43

TIF #2 BAYLAKE - MMBA	TIF #2 STATE - #3	TIF #2 DEBT 96A&B STATE - #10	TIF #2 AMENDED AREA CONST. - STATE - #06	TIF #2 AMENDED AREA CAP. INT. - STATE - #7	TIF #2-CAPITAL MAINT. STATE - #15	TIF #2 WFRDA DEBT RES. STATE - #13
PRIOR G/L BALANCE	3,719.66	805,490.06	73,148.33	186,011.15	157,745.92	1,653,588.18
REVENUE	0.25	10,185.69	8.59	3,356.05	18.52	194.14
DISBURSEMENTS	0.00	389,150.14	0.00	48,484.65	0.00	0.00
AMOUNT IN TRANSIT	0.00	0.00	0.00	0.00	0.00	0.00
ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
ENDING BALANCE	3,719.91	426,525.61	73,156.92	140,882.55	157,764.44	1,653,782.32
BANK BALANCE	3,719.91	426,525.61	73,156.92	140,882.55	157,764.44	1,653,782.32

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

7c4.

7c4.

FOR FUND: GENERAL FUND
 FOR 4 PERIODS ENDING APRIL 30, 2012

DEPARTMENT DESCRIPTION	APRIL		APRIL 30, 2012		FISCAL YEAR BUDGET	FISCAL YEAR ACTUAL	FISCAL YEAR-TO-DATE ACTUAL	% VARI-ANCE	% VARI-ANCE
	BUDGET	ACTUAL	BUDGET	ACTUAL					
REVENUES									
GENERAL FUND	853,769.45	251,458.12	251,458.12	(70.5)	10,245,237.00	4,432,795.39	4,432,795.39	(56.7)	(56.7)
TOTAL REVENUES	853,769.45	251,458.12	251,458.12	(70.5)	10,245,237.00	4,432,795.39	4,432,795.39	(56.7)	(56.7)
EXPENSES									
GENERAL FUND	50,961.77	0.00	0.00	100.0	611,545.00	377,985.13	377,985.13	38.1	38.1
MAYOR	1,030.40	917.52	917.52	10.9	12,365.00	4,073.34	4,073.34	67.0	67.0
CITY COUNCIL	4,907.07	4,521.30	4,521.30	7.8	58,885.00	24,032.97	24,032.97	59.1	59.1
LAW/LEGAL	5,000.00	3,855.00	3,855.00	22.9	60,000.00	16,675.54	16,675.54	72.2	72.2
CITY CLERK-TREASURER	27,232.44	30,144.95	30,144.95	(10.6)	326,790.00	105,732.22	105,732.22	67.6	67.6
ADMINISTRATION	18,639.96	17,550.89	17,550.89	5.8	223,680.00	70,123.76	70,123.76	68.6	68.6
COMPUTER	4,391.64	2,500.00	2,500.00	43.0	52,700.00	18,364.01	18,364.01	65.1	65.1
CITY ASSESSOR	7,777.01	9,672.06	9,672.06	(24.3)	93,325.00	32,240.47	32,240.47	65.4	65.4
BOARD OF REVIEW	205.40	0.00	0.00	100.0	2,465.00	0.00	0.00	100.0	100.0
BUILDING/ZONING CODE ENFORCEMT	5,711.23	2,158.20	2,158.20	62.2	68,535.00	3,801.41	3,801.41	94.4	94.4
MUNICIPAL SERVICES ADMIN.	16,849.93	14,966.49	14,966.49	11.1	202,200.00	59,067.44	59,067.44	70.7	70.7
PUBLIC WORKS ADMINISTRATION	17,755.36	18,437.45	18,437.45	(3.8)	213,065.00	69,661.50	69,661.50	67.3	67.3
ELECTIONS DEPARTMENT	1,760.80	6,167.37	6,167.37	(250.2)	21,130.00	9,496.59	9,496.59	55.0	55.0
CITY HALL	12,027.44	10,155.39	10,155.39	15.5	144,330.00	36,819.28	36,819.28	74.4	74.4
INSURANCE	23,902.06	22,444.00	22,444.00	6.1	286,825.00	133,402.88	133,402.88	53.4	53.4
GENERAL EXPENDITURES	110,328.05	9,843.99	9,843.99	91.0	323,937.00	49,608.25	49,608.25	96.2	96.2
POLICE DEPARTMENT	30,333.70	29,921.27	29,921.27	1.3	364,005.00	118,646.53	118,646.53	67.4	67.4
PATROL BOAT	907.06	0.00	0.00	100.0	10,885.00	0.00	0.00	100.0	100.0
PARKING ENFORCEMENT	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.0	0.0
POLICE DEPARTMENT/PATROL	143,594.52	139,206.25	139,206.25	3.0	1,723,135.00	529,662.63	529,662.63	69.2	69.2
POLICE DEPT. / INVESTIGATIONS	10,716.62	9,164.34	9,164.34	14.4	128,600.00	46,771.48	46,771.48	63.6	63.6
FIRE DEPARTMENT	146,092.82	129,690.35	129,690.35	11.2	1,753,115.00	507,799.03	507,799.03	71.0	71.0
STORM SEWERS	4,139.56	727.02	727.02	82.4	49,675.00	18,759.74	18,759.74	62.2	62.2
SOLID WASTE MGMT/SPRING/FALL	6,054.97	6,231.91	6,231.91	(2.9)	72,660.00	6,471.57	6,471.57	91.0	91.0
COMPOST/SOLID WASTE SITE	2,617.88	667.78	667.78	74.4	31,415.00	2,208.43	2,208.43	92.9	92.9
STREET SWEEPING	3,047.05	4,866.50	4,866.50	(59.7)	36,565.00	7,017.10	7,017.10	80.8	80.8
WEED ABATEMENT	479.15	0.00	0.00	100.0	5,750.00	76.11	76.11	98.6	98.6
ROADWAYS/STREETS	16,251.63	12,763.12	12,763.12	21.4	195,020.00	51,247.79	51,247.79	73.7	73.7
SNOW REMOVAL	16,077.06	6,676.24	6,676.24	58.4	192,925.00	79,320.85	79,320.85	58.8	58.8
STREET SIGNS AND MARKINGS	4,372.89	3,933.17	3,933.17	10.0	52,475.00	16,703.63	16,703.63	68.1	68.1
CURB/GUTTER/SIDEWALK	956.23	0.00	0.00	100.0	11,475.00	0.00	0.00	100.0	100.0
STREET MACHINERY	16,739.13	12,600.58	12,600.58	24.7	200,870.00	43,343.33	43,343.33	78.4	78.4
CITY GARAGE	5,175.80	4,558.05	4,558.05	11.9	62,110.00	16,625.62	16,625.62	73.2	73.2
CELEBRATION & ENTERTAINMENT	3,119.97	6,218.81	6,218.81	(99.3)	37,440.00	16,877.25	16,877.25	54.9	54.9
HIGHWAYS - GENERAL	42,097.05	50,744.10	50,744.10	(20.5)	505,165.00	179,856.85	179,856.85	64.3	64.3
PARK & RECREATION ADMIN	11,224.93	9,256.47	9,256.47	17.5	134,700.00	39,084.58	39,084.58	70.9	70.9
PARKS AND PLAYGROUNDS	33,269.91	25,849.35	25,849.35	22.3	399,240.00	99,452.05	99,452.05	75.0	75.0
BALLFIELDS	2,397.88	9,127.13	9,127.13	(280.6)	28,775.00	19,250.75	19,250.75	33.0	33.0
ICE RINKS	710.80	0.00	0.00	100.0	8,530.00	16.64	16.64	99.8	99.8
BEACHES	231.23	300.00	300.00	(29.7)	2,775.00	300.00	300.00	89.1	89.1

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: GENERAL FUND
 FOR 4 PERIODS ENDING APRIL 30, 2012

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE	%
EXPENSES							
MUNICIPAL DOCKS	3,604.95	2,452.63	31.9	43,260.00	3,351.41	92.2	
WATER WEED MANAGEMENT	7,401.62	0.00	100.0	88,820.00	1,270.00	98.5	
WATERFRONT PARKS & WALKWAYS	4,040.38	3,805.29	5.8	48,485.00	11,656.51	75.9	
EMPLOYEE BENEFITS	2,479.14	1,323.28	46.6	29,750.00	7,600.42	74.4	
PUBLIC FACILITIES	6,350.83	0.00	100.0	76,210.00	20,469.33	73.1	
BOARDS AND COMMISSIONS	151.65	0.00	100.0	1,820.00	139.24	92.3	
COMMUNITY & ECONOMIC DEVLPMNT	20,650.74	26,409.84	(27.8)	247,810.00	82,627.80	66.6	
TOTAL EXPENSES	853,767.71	649,828.09	23.8	10,245,237.00	2,937,691.46	71.3	
TOTAL FUND REVENUES	853,769.45	251,458.12	(70.5)	10,245,237.00	4,432,795.39	(56.7)	
TOTAL FUND EXPENSES	853,767.71	649,828.09	23.8	10,245,237.00	2,937,691.46	71.3	
SURPLUS (DEFICIT)	1.74	(398,369.97)	(4925.8)	0.00	1,495,103.93	100.0	

FOR FUND: CAPITAL FUND APRIL 30, 2012
 FOR 4 PERIODS ENDING

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	% VARI- ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI- ANCE
REVENUES	128,905.37	116,846.67	(9.3)	1,546,865.00	473,490.48	(69.3)
TOTAL REVENUES	128,905.37	116,846.67	(9.3)	1,546,865.00	473,490.48	(69.3)
EXPENSES						
CITY CLERK-TREASURER	0.00	0.00	0.0	0.00	0.00	0.0
ADMINISTRATION	0.00	0.00	0.0	0.00	0.00	0.0
COMPUTER	1,125.00	0.00	100.0	13,500.00	2,450.00	81.8
CITY ASSESSOR	0.00	0.00	0.0	0.00	0.00	0.0
MUNICIPAL SERVICES ADMIN.	0.00	0.00	0.0	0.00	0.00	0.0
CITY HALL	0.00	0.00	0.0	0.00	0.00	0.0
GENERAL EXPENDITURES	1,129.99	0.00	100.0	13,560.00	0.00	100.0
POLICE DEPARTMENT	0.00	0.00	0.0	0.00	0.00	0.0
PATROL	29,738.74	229.44	99.2	356,865.00	45,231.83	87.3
POLICE DEPT. / INVESTIGATIONS	0.00	0.00	0.0	0.00	0.00	0.0
FIRE DEPARTMENT	1,741.66	270.00	84.4	20,900.00	1,106.41	94.7
STORM SEWERS	7,500.00	277.50	96.3	90,000.00	2,577.50	97.1
SOLID WASTE MGMT/REFUSE/RECYCL	0.00	0.00	0.0	0.00	0.00	0.0
SOLID WASTE MGMT/SPRING/FALL	0.00	0.00	0.0	0.00	0.00	0.0
ROADWAYS/STREETS	42,416.65	0.00	100.0	509,000.00	19,821.27	96.1
SNOW REMOVAL	0.00	0.00	0.0	0.00	0.00	0.0
CURB/GUTTER/SIDEWALK	22,207.90	0.00	100.0	266,495.00	0.00	100.0
CITY GARAGE	0.00	0.00	0.0	0.00	0.00	0.0
PARKS AND PLAYGROUNDS	833.33	0.00	100.0	10,000.00	0.00	100.0
BALLFIELDS	416.66	5,221.00	(1153.0)	5,000.00	5,221.00	(4.4)
ICE RINKS	0.00	0.00	0.0	0.00	0.00	0.0
BEACHES	19,033.33	0.00	100.0	228,400.00	0.00	100.0
MUNICIPAL DOCKS	0.00	0.00	0.0	0.00	0.00	0.0
WATER WEED MANAGEMENT	0.00	0.00	0.0	0.00	0.00	0.0
WATERFRONT PARKS & WALKWAYS	541.66	0.00	100.0	6,500.00	0.00	100.0
SANITARY & WATER MAIN	0.00	0.00	0.0	0.00	0.00	0.0
PUBLIC FACILITIES	0.00	0.00	0.0	0.00	0.00	0.0
COMMUNITY & ECONOMIC DEVLPMNT	0.00	0.00	0.0	0.00	0.00	0.0
TOTAL EXPENSES	126,684.92	5,997.94	95.2	1,520,220.00	76,408.01	94.9

TOTAL FUND REVENUES	128,905.37	116,846.67	(9.3)	1,546,865.00	473,490.48	(69.3)
TOTAL FUND EXPENSES	126,684.92	5,997.94	95.2	1,520,220.00	76,408.01	94.9
SURPLUS (DEFICIT)	2,220.45	110,848.73	4892.1	26,645.00	397,082.47	1390.2

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: CABLE TV
 FOR 4 PERIODS ENDING APRIL 30, 2012

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	% VARIANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARIANCE
REVENUES						
CABLE TV / GENERAL	9,451.66	0.00	100.0	113,420.00	28,619.47	(74.7)
TOTAL REVENUES	9,451.66	0.00	100.0	113,420.00	28,619.47	(74.7)
EXPENSES						
CABLE TV / GENERAL	10,775.19	4,791.66	55.5	129,303.00	57,496.97	55.5
TOTAL EXPENSES	10,775.19	4,791.66	55.5	129,303.00	57,496.97	55.5
TOTAL FUND REVENUES	9,451.66	0.00	100.0	113,420.00	28,619.47	(74.7)
TOTAL FUND EXPENSES	10,775.19	4,791.66	55.5	129,303.00	57,496.97	55.5
SURPLUS (DEFICIT)	(1,323.53)	(4,791.66)	262.0	(15,883.00)	(28,877.50)	81.8

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TOURISM FUND
 FOR 4 PERIODS ENDING APRIL 30, 2012

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	% VARI- ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI- ANCE
REVENUES						
TOURISM COMMITTEE / GENERAL	2,144.00	0.14	(99.9)	25,728.00	24,186.45	(5.9)
TOTAL REVENUES	2,144.00	0.14	(99.9)	25,728.00	24,186.45	(5.9)
EXPENSES						
TOURISM COMMITTEE / GENERAL	5,499.99	1,500.00	72.7	66,000.00	66,500.00	(0.7)
	0.00	0.00	0.0	0.00	0.00	0.0
TOTAL EXPENSES	5,499.99	1,500.00	72.7	66,000.00	66,500.00	(0.7)
TOTAL FUND REVENUES	2,144.00	0.14	(99.9)	25,728.00	24,186.45	(5.9)
TOTAL FUND EXPENSES	5,499.99	1,500.00	72.7	66,000.00	66,500.00	(0.7)
SURPLUS (DEFICIT)	(3,355.99)	(1,499.86)	(55.3)	(40,272.00)	(42,313.55)	5.0

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #2 DISTRICT
 FOR 4 PERIODS ENDING APRIL 30, 2012

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE	%
REVENUES							
TID DISTRICT #2	124,307.64	13,766.13	(88.9)	1,491,692.00	782,685.44	(47.5)	
TOTAL REVENUES	124,307.64	13,766.13	(88.9)	1,491,692.00	782,685.44	(47.5)	
EXPENSES							
TID DISTRICT #2	225,596.19	0.00	100.0	2,707,155.00	494,436.64	81.7	
TOTAL EXPENSES	225,596.19	0.00	100.0	2,707,155.00	494,436.64	81.7	
TOTAL FUND REVENUES	124,307.64	13,766.13	(88.9)	1,491,692.00	782,685.44	(47.5)	
TOTAL FUND EXPENSES	225,596.19	0.00	100.0	2,707,155.00	494,436.64	81.7	
SURPLUS (DEFICIT)	(101,288.55)	13,766.13	(113.5)	(1,215,463.00)	288,248.80	(123.7)	

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #1 DISTRICT
 FOR 4 PERIODS ENDING APRIL 30, 2012

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	% VARIANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARIANCE
REVENUES						
TID #1 DISTRICT	38,490.66	5,459.53	(85.8)	461,888.00	305,658.26	(33.8)
TOTAL REVENUES	38,490.66	5,459.53	(85.8)	461,888.00	305,658.26	(33.8)
EXPENSES						
TID #1 DISTRICT	37,786.50	0.00	100.0	453,438.00	0.00	100.0
TOTAL EXPENSES	37,786.50	0.00	100.0	453,438.00	0.00	100.0

TOTAL FUND REVENUES	38,490.66	5,459.53	(85.8)	461,888.00	305,658.26	(33.8)
TOTAL FUND EXPENSES	37,786.50	0.00	100.0	453,438.00	0.00	100.0
SURPLUS (DEFICIT)	704.16	5,459.53	675.3	8,450.00	305,658.26	3517.2

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #3 DISTRICT APRIL 30, 2012
 FOR 4 PERIODS ENDING

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	VARL-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARL-ANCE	%
TID #3 DISTRICT	15,515.41	35.71	(99.7)	186,185.00	32,943.07	(82.3)	
TOTAL REVENUES	15,515.41	35.71	(99.7)	186,185.00	32,943.07	(82.3)	
EXPENSES							
TID #3 DISTRICT	15,110.81	516.00	96.5	181,330.00	28,470.50	84.2	
TOTAL EXPENSES	15,110.81	516.00	96.5	181,330.00	28,470.50	84.2	
TOTAL FUND REVENUES	15,515.41	35.71	(99.7)	186,185.00	32,943.07	(82.3)	
TOTAL FUND EXPENSES	15,110.81	516.00	96.5	181,330.00	28,470.50	84.2	
SURPLUS (DEFICIT)	404.60	(480.29)	(218.7)	4,855.00	4,472.57	(7.8)	

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: REVOLVING LOAN FUND (STATE)
 FOR 4 PERIODS ENDING APRIL 30, 2012

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	% VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI-ANCE
REVENUES						
REVOLVING LOAN FUND (STATE)	1,442.07	755.88	(47.5)	17,305.00	4,403.50	(74.5)
TOTAL REVENUES	1,442.07	755.88	(47.5)	17,305.00	4,403.50	(74.5)
EXPENSES						
REVOLVING LOAN FUND (STATE)	1,041.66	400,000.00	(8300.2)	12,500.00	400,020.00	(3100.1)
TOTAL EXPENSES	1,041.66	400,000.00	(8300.2)	12,500.00	400,020.00	(3100.1)
TOTAL FUND REVENUES	1,442.07	755.88	(47.5)	17,305.00	4,403.50	(74.5)
TOTAL FUND EXPENSES	1,041.66	400,000.00	(8300.2)	12,500.00	400,020.00	(3100.1)
SURPLUS (DEFICIT)	400.41	(399,244.12)	(9808.8)	4,805.00	(395,616.50)	(8333.4)

CITY OF STURGEON BAY
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: SOLID WASTE ENTERPRISE
 FOR 4 PERIODS ENDING APRIL 30, 2012

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	% VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI-ANCE
REVENUES						
SOLID WASTE ENTERPRISE FUND	69,736.24	26,517.53	(61.9)	836,835.00	199,498.15	(76.1)
TOTAL REVENUES	69,736.24	26,517.53	(61.9)	836,835.00	199,498.15	(76.1)
EXPENSES						
SOLID WASTE ENTERPRISE FUND	69,736.14	26,572.76	61.8	836,835.00	91,975.37	89.0
TOTAL EXPENSES	69,736.14	26,572.76	61.8	836,835.00	91,975.37	89.0
TOTAL FUND REVENUES	69,736.24	26,517.53	(61.9)	836,835.00	199,498.15	(76.1)
TOTAL FUND EXPENSES	69,736.14	26,572.76	61.8	836,835.00	91,975.37	89.0
SURPLUS (DEFICIT)	0.10	(55.23)	(5330.0)	0.00	107,522.78	100.0

MUNICIPAL REPORT TOTALS
 FOR 4 PERIODS ENDING APRIL 30, 2012

DEPARTMENT DESCRIPTION	APRIL BUDGET	APRIL ACTUAL	% VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI-ANCE
TOTAL MUNICIPAL REVENUES	1,243,762.50	414,839.71	(66.6)	14,925,155.00	6,284,280.21	(57.8)
TOTAL MUNICIPAL EXPENSES	1,345,999.11	1,089,206.45	19.0	16,152,018.00	4,152,998.95	74.2
SURPLUS (DEFICIT)	(102,236.61)	(674,366.74)	559.6	(1,226,863.00)	2,131,281.26	(273.7)

BEVERAGE OPERATOR LICENSES

1. Beattle, Lindsay M.
2. Blum, Dennis J.
3. Clark, Cathy A.
4. Englebert, Roy H.
5. Frisque, Brian D.
6. Geeve-Howard, Sayard
7. Kallin, Jamie L.
8. Kintopf, Alan B.
9. Leyenbecker, Eric
10. Neuville, Natalie J.
11. Peterson, Sharon
12. Surfus, Patrick J.
13. VanDeLoo, Joshua

7e.

7e.

TEMPORARY CLASS B BEER LICENSE

Sturgeon Bay Visitor Center
Oregon Street & Third Avenue
Martin Park
Sturgeon Bay, WI 54235

6/27/12

7/11/12

7/18/12

7/25/12

8/8/12

8/15/12

8/29/12

CLASS B BEER LICENSE

Roger Rockwell
dba – Rock's Music
143 North 4th Avenue
Sturgeon Bay, WI 54235
June 6, 2012 – June 30, 2012

Roger Rockwell
dba – Rock's Music
143 North 4th Avenue
Sturgeon Bay, WI 54235
July 1, 2012 – June 30, 2013

7g.

7g.

CLASS B BEER and CLASS C WINE LICENSE

The Twins LLC
dba – Mel's Place
Agent: Susan Londo
306 South Third Avenue
Sturgeon Bay, WI
June 6, 2012 – June 30, 2012

7h.

7h.

Dear members of the City Council,

May 21, 2012

As the agent on the Class B Beer license for The Holiday Music Motel, I am writing to request an amendment to our current license ending June 30th, 2012.

We would like our license to include a designated area inside our retaining wall, fenced in parking lot and grass lawn area. To be clear, this would ONLY include the front area of the building on the corner of 1st and Michigan, it would not include the sides or back of the building facing 2nd street. We are only requesting it in an area that can be clearly and easily monitored and contained.

Safety to our guests and others is an enormous concern and we therefore on the occasions when beer would be served for a special event, will post clear signage, provide additional fencing and staff additional security as needed anytime beer and/or malt beverages are served outdoors in this designated area so as to ensure the comfort and safety to our guests and to our community.

If there are any concerns or questions, please do not hesitate to contact me directly either at the motel (920-743-5571) or on my cell phone at 414-254-2299.

Thank you for your time and consideration,



Melanie Jane, Manager

Holiday Music Motel
30 N 1st Ave
Sturgeon Bay, WI 54235

**2012/2013 City of Sturgeon Bay Liquor Licenses
June 5, 2012 Common Council Meeting**

7i.

"Class B" Comb. Licenses

	<u>Agent</u>	<u>Address</u>
Carter Holdings, LLC (Van's Bar and Grill)	Wendi S Carter	253 N 3rd Ave
Cherry Lanes Bowling Alley & Sports Bar, LLC	Jeffrey Deer	127 N 4th Ave
Clarence G Cumber, Jr. (Butch's)		112 S 3rd Ave
Door County Resorts Mgmt. (Stone Harbor)	Nancy Haffeman-Bertz	107 N 1st Ave
Gregory M Ebel (Greystone Castle)		8 N Madison Ave
Kitty O'Reilly's Irish Pub, LLC	Amy Crook	59 E Oak St
Kona Bay, Inc (Lodge at Leatherm Smith)	Paul Meleen	1640 Memorial Dr
Neighborhood Pub, Inc	Paul Stoltman	1407 Egg Harbor Rd
Nightingale Supper Club, Inc	David Ripp	1541 Egg Harbor Rd
P.V.C.N., Inc (Apple Valley Lanes)	Patrick J Cucull	1217 N 14th Ave
Pemaquid Point Lodging, Inc (Inn at Cedar Crossing)	Stephen Hellmann	336 Louisiana Street
Poh's Corner Pub, LLC	Kim Poh	164 N 3rd Ave
Reef of Door County, LLC (The Draft Haus)	Laura Estes	901 Egg Harbor Road
Kenneth S Schultz (Dutch's)		1207 Rhode Island St
Shipyard Properties, LLC (Center Point Marina)	Theodore Ballistreri	215 Quincy St
Sturgeon Bay Jaycees	Jay Zahn	340 Jaycee Ct
Sturgeon Bay Red Room, LLC (Red Room)	Nicholas R Hoffman	66 S 3rd Ave
Sturgeon Bay Yacht Club	James Andre	600 Nautical Drive
Tim's Chimney Cleaning & Outdoor Services, LLC (Nautical Inn)	Tim Clark	234 Kentucky St
WHG Development Company, LLC (Applebee's)	Dan Conley	129 N Madison Ave
Woldt's Corner Pub, Inc	Michael Woldt	911 Green Bay Rd

"Class B" Liquor License (Wine Only)

	<u>Agent</u>	<u>Address</u>
Red Oak Vineyard	Nicholas Wagener	325 N 3rd Ave

7i.

2012/2013 City of Sturgeon Bay Liquor Licenses

Class "B" Beer Licenses

Michael A DaSanto (DaSanto's)
 Family Thyme Restaurant
 Holiday Motel Management, LLC
 Hot Tamales, LLC
 Howie's Tackle, LLC
 Jacob's Bluefront Café, LLC
 John Martin's Restaurant, LLC (John Martin's Restaurant)
 Kimz Galley Café, LLC
 William Arthur Lemke (The Steel Bridge Café)
 PH Green Bay LLC (Pizza Hut)
 Wai Ping Poon (Hong Kong Buffet)
 Red Oak Vineyard
 Laura Silvia Rodriguez (El Sazon, LLC)
 Scaturro's Baking Co
 Sonny's Pizzeria, LLC
 The Twins, LLC (Mel's Place)
 Third Avenue Playhouse, Inc
 Wang & Lin, LLC (Mandarin Garden Restaurant)
 Wisconsin RSA #10, Limited Partnership (GLAS)

Agent

James S Schiffer
 Jillian Nelson
 LeeAnn Krause
 Michael K Richard
 Patrick L Barbercheck
 Terry Samonds, Jr.
 Kimberly Wishart
 Elizabeth A Ullman
 Nicholas Wagener
 Robert Scaturro
 Laura Estes
 Susan Londo
 Robert Boles
 Yu-Lun Wang
 Angela Jonas

Address

147 N 3rd Ave
 136 N 3rd Ave
 30 N 1st Ave
 26 E Oak St
 1309 Green Bay Rd
 86 West Maple Street
 50 S 3rd Ave
 229 Louisiana Street
 49 N Madison Ave
 823 Egg Harbor Rd
 1300 Egg Harbor Rd
 325 N 3rd Ave
 1449 Green Bay Rd
 19 Green Bay Rd
 43 S Madison Ave
 306 S 3rd Ave
 239 N 3rd Ave
 512 S Lansing Ave
 67 E Maple Street

"Class A" Comb. Licenses

American Petroleum, LLC
 Cherryland Shell, LLC
 Estes and Estes LLP (Hol N' One)
 Parvinder S Jandu
 L & P Convenient Store Sturgeon Bay, LLC
 L & P Convenient Store Sturgeon Bay, LLC
 Lavine's Inc (The Wine Cellar)
 Marchant's Meats and Sausage, LLC
 McCartney & Company LTD (Madison Avenue Wine Shop)
 PhillMart of Sturgeon Bay, Inc
 Quality State Oil (Q-Mart)
 Quality State Oil (Q-Mart)
 Shop-Rite, LLC (Pick n' Save)
 T & C Markets, Inc (Econo Foods)
 Target Corporation

Agent

Himanshu Goel
 Lisa Anschutz
 Steve B Estes
 Diane Hank
 Karol Kezo
 Joseph D LaVine
 Mark Marchant
 Diana McCartney
 Donna S Lacke
 Penny Starr
 Penny Starr
 David R. Nath
 Eric Landen
 Sarah Diederich

Address

211 Michigan St
 1331 Green Bay Rd
 25 N Madison Ave
 1767 Egg Harbor Rd
 1130 Green Bay Rd
 253 Michigan St
 825 Egg Harbor Rd
 51 Green Bay Rd
 25 S Madison Ave
 1009 Egg Harbor Rd
 1255 Green Bay Rd
 1314 Green Bay Rd
 1847 Egg Harbor Rd
 1250 N 14th Ave
 410 S Ashland Ave

2012/2013 City of Sturgeon Bay Liquor Licenses

Wal-Mart Stores East, LP
Walgreens, Co

Debra Van Boxel
Sarah J Olson

1536 Egg Harbor Rd
808 S Duluth Ave

Class "A" Beer Licenses

Parvinder S. Jandu
Parvinder S. Jandu
The S-Stop, Inc

Kevin J Scharthner

154 N 4th Ave
222 S Madison Ave
922 S Duluth Ave

Class "A" Liquor Licenses

Bridgeport Resort Condo Owners Assoc, Inc.

David Holtz

50 W Larch St

"Class C" Wine License

Michael A Dalsanto (Dalsanto's)
Family Thyme Restaurant
Hot Tamales, LLC
Jacob's Bluefront Café, LLC
John Martin's Restaurant, LLC (John Martin's Restaurant)
Kinz Galley Café, LLC
William Arthur Lemke (The Steel Bridge Café)
Wai Ping Poon (Hong Kong Buffet)
Scaturò's Baking Co
Sonny's Pizzeria, LLC
The Twins, LLC (Melt's Place)
Wang & Lin LLC (Mandarin Garden Restaurant)
Wisconsin RSA #10, Limited Partnership (GLAS)

James S Schiffer
LeeAnn Krause
Patrick L Barbercheck
Terry Samonds, Jr.
Kimberly Wishart
Robert Scaturò
Laura Estes
Susan Londo
Yu-Lun Wang
Angela Jonas

147 N 3rd Ave
136 N 3rd Ave
26 E Oak St
86 W Maple St
50 S 3rd Ave
229 Louisiana Street
49 N Madison Ave
1300 Egg Harbor Rd
19 Green Bay Rd
43 S Madison Ave
306 S 3rd Ave
512 S Lansing Ave
67 E Maple Street

Class B Combo License (300 Seat License)

Agent

Address

RECOMMENDATION

TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the Finance/Purchasing & Building Committee, hereby recommend to accept the Schenck Business Solutions 2011 audit report and place it on file.

Respectfully submitted,
FINANCE/PURCHASING & BUILDING
COMMITTEE

By: Joseph Stutting, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: May 8, 2012

Introduced by _____.

Moved by Alderperson _____ seconded by

Alderperson _____ that said recommendation be adopted.

Passed by the Council on the _____ day of _____, 2012.

EXECUTIVE SUMMARY

TITLE: 2011 Audit

BACKGROUND: Schenck Government & Not-For-Profit Solutions has completed the 2011 financial audit for the City of Sturgeon Bay. A clean audit opinion was issued by Schenck. The details of their financial audit can be found in the attached audit report and management letter.

FISCAL IMPACT: The fiscal impact to the City is the contracted amount of \$14,745 for the General Fund and \$1,500 for the Tourism Fund.

OPTIONS: Accept or reject the Schenck Government & Not-For-Profit Solutions 2011 audit report.

RECOMMENDATION:

Recommend to the Common Council to accept the Schenck Government & Not-For-Profit Solutions 2011 financial audit report for the City of Sturgeon Bay and place it on file.

PREPARED BY: Valerie J. Clafizio 5/3/12
Valerie J. Clafizio Date
Finance Director/City Treasurer

REVIEWED BY: Stephen McNeil 5/3/12
Stephen McNeil Date
City Administrator

MANAGEMENT COMMUNICATIONS
CITY OF STURGEON BAY, WISCONSIN
DECEMBER 31, 2011

CITY OF STURGEON BAY, WISCONSIN
December 31, 2011

TABLE OF CONTENTS

	<u>Page No.</u>
COMMUNICATION TO THE CITY COUNCIL	1 - 7
SUMMARY FINANCIAL INFORMATION	
1. City Governmental Fund Balances	8
2. Tax Incremental District No. 1	9
3. Tax Incremental District No. 2	10
4. Tax Incremental District No. 3	11
5. Sturgeon Bay Utilities	12
COMMENTS AND OBSERVATIONS	
Measurement of Post-Employment Benefits at Sturgeon Bay Utilities	13



Schenck

CPAs AND SO MUCH MORE.

To the City Council
City of Sturgeon Bay
Sturgeon Bay, Wisconsin

We have completed our audit of the basic financial statements of the City of Sturgeon Bay, Wisconsin (the "City") for the year ended December 31, 2011. The City's financial statements, including our report thereon dated April 11, 2012 are presented in a separate audit report document. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, noncompliance with the provisions of laws, regulations, contracts and grants or other illegal acts may exist and not be detected by us.

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our correspondence about planning matters.

Significant Audit Findings

Consideration of Internal Control

In planning and performing our audit of the financial statements of the City as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. Our report on internal control over financial reporting and on compliance and other matters is presented on pages 56 - 57 of the annual report.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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 a reasonable possibility that a material misstatement of the financial statements will be not be prevented or detected and corrected on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency to be a significant deficiency in internal control:

Finding 2011-01 Year End Closing and Financial Reporting

This finding is described in detail in the schedule of findings and responses on page 58 of the annual financial report.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note A to the financial statements. The City implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. We noted no significant transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

Depreciable Life of Capital Assets

- Management's estimate of the depreciable life of the capital assets is based upon analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.

Accumulated Sick Leave

- Management's estimate of accumulated sick leave is based upon analysis of the employees sick leave balance. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the related liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Other Post Employment Benefits

- Management's estimate of the other post employment benefits is based on an actuarial report. We evaluated the key factors and assumptions used to develop the other post employment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The financial statements reflect all accounting adjustments proposed during our audit. The adjustments included various end-of year payable, receivable and reclassification entries for the government-wide statements. These entries are considered routine in nature and normally do not vary significantly from year to year. Copies of the audit adjustments are available from management.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 11, 2012. The management representation letter follows this communication.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to conducting the audit. These discussions occurred in the normal course of our professional relationship and our responses were not a condition to completing the services as your auditor.

In addition, during our audit, we noted certain other matters that are presented for your consideration. We will review the status of these comments during our next audit engagement. Our comments and recommendations are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these matters in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized in the comments and observations section of this letter.

This communication, which does not affect our report dated April 11, 2012 on the financial statements of the City, is intended solely for the information and use of management and the City Council, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Certified Public Accountants
Green Bay, Wisconsin
April 11, 2012

CITY of STURGEON BAY



STURGEONBAY UTILITIES



April 11, 2012

Schenck SC
2200 Riverside Drive
P.O. Box 23819
Green Bay, WI 54305-3819

We are providing this letter in connection with your audit of the financial statements of the City of Sturgeon Bay, Wisconsin as of December 31, 2011 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining of the City of Sturgeon Bay and the respective changes in the financial position and where applicable, cash flows thereof, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 11, 2012, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government as required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
2. We have made available to you all-
 - a. Financial records and related data.
 - b. Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

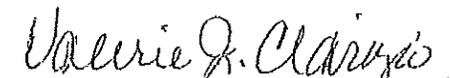
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the City involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, analysts, regulators, or others.
8. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
9. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
10. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the City is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances.
 - d. Joint ventures, jointly governed organizations, and other related organizations.
 - e. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line of credit or similar arrangements.
 - f. Participation in a public entity risk pool.
11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

12. There are no—
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with generally accepted accounting principles.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by generally accepted accounting principles.
13. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
14. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the annual financial report.
15. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
17. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
18. The financial statements properly classify all funds and activities.
19. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
20. Components of net assets (invested in capital assets, net of related debt, restricted, and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
21. Provisions for uncollectible receivables have been properly identified and recorded.
22. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
23. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
24. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
25. Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.

26. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
27. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
28. We acknowledge our responsibility for presenting the supporting schedules (the supplementary information) in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
29. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the City's name" during the period significantly exceeded the amounts in those categories as of the balance sheet was properly disclosed in the financial statements.
30. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
31. Expenditures of federal awards were below the \$500,000 threshold in the year ended December 31, 2011, and we were not required to have an audit in accordance with *OMB Circular A-133*.
32. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed: 
Title: Stephen McNeil
City Administrator

Signed: 
Title: James M. Stawicki
SBU General Manager

Signed: 
Title: Valerie Clarizio
Finance Director/City Treasurer

Signed: 
Title: Laurie Baudry
SBU Accountant

SUMMARY FINANCIAL INFORMATION

1. City Governmental Fund Balances

Presented below is a summary of governmental fund balances on December 31, 2011, including a comparison to the prior year. The information is provided for assessing financial results for 2011 and for indicating financial resources available for 2011 and subsequent years.

	12/31/11	12/31/10
General Fund		
Nonspendable		
Inventories and prepaid items	\$ 1,125	\$ 1,125
Unassigned	3,608,856	4,360,755
Total General Fund	3,609,981	4,361,880
Special Revenue Funds		
Restricted		
Revolving loan	555,109	158,041
Assigned		
Tourism	42,320	44,722
Cable TV	218,380	346,476
Total Special Revenue Funds	815,809	549,239
Capital Projects Funds		
Restricted		
Tax Increment Districts		
#1 - Industrial Park	137,394	128,407
#2 - Waterfront District	2,153,813	1,119,495
#3 - Blight Elimination	315,645	353,852
Assigned		
Capital Improvements	2,521,993	2,039,346
Total Capital Projects Funds	5,128,845	3,641,100
Total Governmental Funds	\$ 9,554,635	\$ 8,552,219

The following is a calculation of the working capital reserve approved for the general fund at December 31, 2011:

Calendar 2012 operating budget	\$ 9,633,692
Reserve percentage	x .25
RESERVE	\$ 2,408,423

The excess of the general fund unassigned balance over the working capital reserve is \$1,200,433. The City used \$751,899 of the 2010 excess to finance expenditures for 2011. In the Capital Improvements fund, the entire balance has been assigned to 2012.

CITY OF STURGEON BAY, WISCONSIN
TAX INCREMENTAL FINANCING DISTRICT NO. 1 ANNUAL REPORT
Year Ended December 31, 2011

Date Created: January 1, 1991

Date Approved: September 20, 1991

Latest Possible Termination Date: December 31, 2018

	Current Year	Cumulative
Revenues		
Tax increments	\$ 384,801	\$ 3,906,653
Other	8,987	1,723,244
Total Revenues	<u>393,788</u>	<u>5,629,897</u>
Expenditures		
Planning and administration	-	102,664
Capital outlay	-	2,205,594
Interest	-	1,293,401
Bond issuance costs	-	110,399
Total Expenditures	<u>-</u>	<u>3,712,058</u>
Subtotal Excess Recovered Project Costs		1,917,839
Transfer to Tax incremental district #2 (Year 1)		(283,928)
Transfer to Tax Incremental district #2 (Year 2)		(350,407)
Transfer to Tax Incremental district #2 & #3 (Year 3)		(369,879)
Transfer to Tax Incremental district #2 & #3 (Year 4)		(391,430)
Transfer to Tax Incremental district #2 & #3 (Year 5)		<u>(384,801)</u>
Net Excess Recovered Project Costs		<u>\$ 137,394</u>
Outstanding Debt at December 31, 2011		<u>\$ -</u>

In accordance with the TID statutes, this annual financial summary should be made available to the public with copies being submitted to Door County, Sturgeon Bay Schools, and the Northeast Wisconsin Technical College.

CITY OF STURGEON BAY, WISCONSIN
TAX INCREMENTAL FINANCING DISTRICT NO. 2 ANNUAL REPORT
Year Ended December 31, 2011

Date Created: January 1, 1994

Date Approved: September 6, 1994

Latest Possible Termination Date: December 31, 2021

	Current Year	Cumulative
Revenues		
Tax increments	\$ 1,343,050	\$ 15,378,803
Other	70,709	8,430,457
Total Revenues	<u>1,413,759</u>	<u>23,809,260</u>
Expenditures		
Planning and administration	112,753	1,223,581
Capital outlay	76,376	28,054,867
Interest	905,586	15,337,516
Bond issuance costs	-	722,628
Total Expenditures	<u>1,094,715</u>	<u>45,338,592</u>
Subtotal Unreimbursed Project Costs		21,529,332
Transfer from Tax incremental district #1 (Year 1)		(283,928)
Transfer from Tax incremental district #1 (Year 2)		(350,407)
Transfer from Tax incremental district #1 (Year 3)		(313,414)
Transfer from Tax incremental district #1 (Year 4)		(331,976)
Transfer from Tax incremental district #1 (Year 5)		<u>(263,124)</u>
Net Unreimbursed Project Costs		<u>\$ 19,986,483</u>
Outstanding Debt at December 31, 2011		<u>\$ 22,140,296</u>

In accordance with the TID statutes, this annual financial summary should be made available to the public with copies being submitted to Door County, Sturgeon Bay Schools, and the Northeast Wisconsin Technical College.

CITY OF STURGEON BAY, WISCONSIN
TAX INCREMENTAL FINANCING DISTRICT NO. 3 ANNUAL REPORT
Year Ended December 31, 2011

Date Created: January 1, 2008

Date Approved: October 2, 2008

Latest Possible Termination Date: December 31, 2034

	Current Year	Cumulative
Revenues		
Tax increments	\$ 4,046	\$ 8,034
Other	908	381,043
Total Revenues	4,954	389,077
Expenditures		
Planning and administration	10,101	117,546
Capital outlay	99,812	1,773,631
Interest	54,925	109,850
Total Expenditures	164,838	2,001,027
Subtotal Unreimbursed Project Costs		1,611,950
Transfer from Tax incremental district #1 (Year 2)		(56,465)
Transfer from Tax incremental district #1 (Year 3)		(59,454)
Transfer from Tax incremental district #1 (Year 4)		(121,677)
Net Unreimbursed Project Costs		\$ 1,374,354
Outstanding Debt at December 31, 2011		\$ 1,690,000

In accordance with the TID statutes, this annual financial summary should be made available to the public with copies being submitted to Door County, Sturgeon Bay Schools, and the Northeast Wisconsin Technical College.

SUMMARY FINANCIAL INFORMATION

5. Sturgeon Bay Utilities

A condensed income statement showing the results of operations for the year ended December 31, 2011, including a comparison to 2010 follows:

	Water	Electric	Sewer	Total
Operating Revenues				
Charges for services	\$ 1,967,733	\$ 14,946,075	\$ 1,886,648	\$ 18,800,456
Other	25,347	59,972	14,677	99,996
	<u>1,993,080</u>	<u>15,006,047</u>	<u>1,901,325</u>	<u>18,900,452</u>
Operating Expenses				
Operation and maintenance	1,164,787	12,950,407	1,363,354	15,478,548
Depreciation	422,531	966,476	474,129	1,863,136
Taxes	4,421	175,907	12,287	192,615
Transfer for tax equivalent	315,832	324,001	-	639,833
	<u>1,907,571</u>	<u>14,416,791</u>	<u>1,849,770</u>	<u>18,174,132</u>
2011 Operating Income	<u>\$ 85,509</u>	<u>\$ 589,256</u>	<u>\$ 51,555</u>	<u>\$ 726,320</u>
2011 PSC Operating Income	<u>\$ 233,264</u>	<u>\$ 699,939</u>	<u>N/A</u>	
2011 PSC Rate of Return	<u>3.62%</u>	<u>4.96%</u>	<u>N/A</u>	
Effective Date of Rates	<u>6/1/09</u>	<u>6/1/11</u>	<u>8/1/93</u>	
2010 Operating Income	<u>\$ 197,695</u>	<u>\$ 427,808</u>	<u>\$ 170,592</u>	

Summary comments:

1. The operating income of the above analysis derived from the financial statements is lower than the PSC amount primarily due to depreciation on contributed plant, which is not part of the PSC calculated amount.
2. The rate increase for the electric utility went into effect on June 1, 2011.

COMMENTS AND OBSERVATIONS

Measurement of Post-Employment Benefits

Post-employment benefits are part of an exchange of salaries and benefits for employee services rendered. Of the total benefits offered by the City to attract and retain qualified employees, some benefits, including post-employment health care, life insurance and similar benefits are taken after the employees' services have ended. Nevertheless, these benefits constitute compensation for employee services.

Beginning in July of 2007, reporting standards changed to require reporting and measurement of post-employment benefits. Typically, actuarial evaluations are obtained for measurement due to the amounts involved and assumptions made in the measurement process.

For financial reporting purposes, an actuarial valuation is required at least biennially for plans with a total membership (including employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits) of 200 or more, or at least triennially for plans with a total membership of fewer than 200. We strongly encourage full compliance with the measurement requirements due to the potential for rapidly changing actuarial assumptions involving post-employment benefits. Presently, Sturgeon Bay Utilities does not participate in the actuarial study updates.

MANAGEMENT'S RESPONSE:

It is the intention of the Utilities to comply with measurement and reporting requirements relative to post-employment benefits. Prior to commencement of the 2012 audit, SBU staff will consult with our actuary as well as audit staff to confirm the appropriate course of action in light of the circumstances that exist at that time.

CITY OF STURGEON BAY, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2011

CITY OF STURGEON BAY, WISCONSIN
December 31, 2011

Table of Contents

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 11
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	12
Statement of Activities	13 - 14
Fund Financial Statements	
Balance Sheet - Governmental Funds	15 - 17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18 - 20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	21
Statement of Net Assets - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24 - 25
Notes to Basic Financial Statements	26 - 47
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Funding Progress - Other Post-employment Benefit Plan	48
Schedule of Employer Contributions - Other Post-employment Benefit Plan	49
SUPPLEMENTAL INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	51
Detailed Comparison of Revenues - Budget and Actual - General Fund	52 - 53
Detailed Comparison of Expenditures - Budget and Actual - General Fund	54 - 55
ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS	
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	56 - 57
Schedule of Findings and Responses	58



Schenck

CPAs AND SO MUCH MORE.

INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS

To the City Council
City of Sturgeon Bay, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sturgeon Bay, Wisconsin ("the City") as of and for the year ended December 31, 2011, 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 Sturgeon Bay, Wisconsin's management. Our responsibility is to express opinions on these basic financial statements based on our audit. The prior year summarized comparative information has been derived from the City's 2010 financial statements and, in our report dated April 8, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A.4, the City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 the schedule of funding progress and the schedule of employer contributions on pages 48 and 49 be presented to supplement the basic financial statements. Such information, although not part of the 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 response 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's financial statements as a whole. The financial information listed in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Certified Public Accountants
Green Bay, Wisconsin
April 11, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY of STURGEON BAY



Stephen McNeil, City Administrator
421 Michigan Street
Sturgeon Bay, WI 54235

920-746-2900 Phone
920-746-2905 Fax
www.sturgeonbaywi.org

STURGEON BAY UTILITIES



James M. Stawicki, General Manager
230 East Vine St
Sturgeon Bay, WI 54235

920-746-2820 Phone
920-746-2822 Fax
www.sbunet.com

Management's Discussion and Analysis December 31, 2011

As management of the City of Sturgeon Bay, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2011.

Financial Highlights

- The assets of the City exceeded its liabilities as of December 31, 2011 by \$80,515,037 (*net assets*). Of this amount, \$12,827,808 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$1,269,441. Several factors contributed to the overall increase as follows:
 - The City's Governmental activities' total net assets increased by \$47,046.
 - The City's Business-type activities' (*Solid Waste Fund*) total net assets increased by \$47,121.
 - The City's total net assets of Sturgeon Bay Utilities increased by \$1,175,274.
- The City's general fund decreased by \$751,899 primarily due to scheduled use of the prior year's surplus and a transfer to the Capital fund for the purchase of property.
- The assessed property tax rate, without TID, increased from \$6.92 to \$6.93 per \$1,000 of property value for the year ended December 31, 2011.
- As of December 31, 2011 the City's governmental funds reported combined ending fund balances of \$9,554,635, an increase of \$1,002,416 in comparison with the prior year. Approximately 38% of this total amount, \$3,608,856 is available for spending at the City's discretion (*unassigned fund balance*).
- As of December 31, 2011, unassigned fund balance for the general fund was \$3,608,856, or approximately 35% of the total general fund expenditures budgeted for 2012.
- The City's total general-obligation debt increased by \$1,936,503 (16%) during 2011. The key factor in this increase was due to the issuance of GO debt in TID #2 which restructured the TID #2 debt payment schedule to more closely coincide with the anticipated timing of tax increment revenue.

Overview of the Basic Financial Statements

This 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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, 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.

The *statement of activities* presents information showing how the City's net assets changed during the most recent year. 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., earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, sanitation, health and human services, culture and recreation, and conservation and development, debt service and capital outlay. The business-type activities of the City include the Solid Waste Fund and Sturgeon Bay Utility activities including water, wastewater and electric.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also includes the Sturgeon Bay Visitor Center, a legally separate component unit for which the City is financially accountable. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12 - 14 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and 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 *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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 balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Improvements Fund, Tax Incremental District #2 Fund and Tax Incremental District #3 Fund all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund and for each individual, major special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 15 - 21 of this report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Solid Waste Fund and Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City does not use internal service funds at this time. Because this/these service(s) predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility, which is considered to be a major fund of the City, and the Solid Waste Fund which is considered to be a nonmajor fund of the City.

The basic proprietary fund financial statements can be found on pages 22 - 25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic 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. The notes to the basic financial statements can be found on pages 26 - 47 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements and schedules can be found on pages 50 - 55.

Government-wide Financial Analysis

Net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$80,515,037 at the close of 2011.

City of Sturgeon Bay's Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 29,840,268	\$ 29,894,039	\$ 9,386,960	\$ 8,414,394	\$ 39,227,228	\$ 38,308,433
Capital assets	54,129,483	53,884,759	37,728,708	37,742,928	91,858,191	91,627,687
Total assets	\$ 83,969,751	\$ 83,778,798	\$ 47,115,668	\$ 46,157,322	\$ 131,085,419	\$ 129,936,120
Long-term liabilities outstanding	25,975,616	25,232,287	-	-	25,975,616	25,232,287
Other liabilities	22,275,130	22,748,365	2,319,636	2,583,685	24,594,766	25,332,050
Total liabilities	\$ 48,250,746	\$ 47,980,652	\$ 2,319,636	\$ 2,583,685	\$ 50,570,382	\$ 50,564,337
Net assets:						
Invested in capital assets, net of related debt	\$ 26,233,799	\$ 27,570,578	\$ 37,770,708	\$ 37,784,928	\$ 64,004,507	\$ 65,355,506
Restricted	3,161,961	-	520,761	520,771	3,682,722	520,771
Unrestricted	6,323,245	8,227,568	6,504,563	5,267,938	12,827,808	13,495,506
Total net assets	\$ 35,719,005	\$ 35,798,146	\$ 44,796,032	\$ 43,573,637	\$ 80,515,037	\$ 79,371,783

By far the largest portion of the City's net assets (79%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although, the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$12,827,808) may be used to meet the City's ongoing obligations to citizens and creditors.

Change in net assets. Governmental activities increased the City's net assets by \$47,046, exclusive of the prior period adjustment for other post-employment benefits. Key elements of this increase are as follows:

City of Sturgeon Bay's Change in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues						
Charges for services	\$ 895,051	\$ 866,341	\$ 19,240,785	\$ 18,691,430	\$ 20,135,836	\$ 19,557,771
Operating grants and contributions	964,925	1,368,217	-	-	964,925	1,368,217
Capital grants and contributions	939,041	671,999	187,924	98,168	1,126,965	770,167
General revenues:						
Property taxes	7,322,893	7,428,483	150,000	145,000	7,472,893	7,573,483
Other taxes	223,825	224,396	-	-	223,825	224,396
Grants and contributions not restricted to specific programs	1,078,705	1,063,558	-	-	1,078,705	1,063,558
Other revenues	943,714	914,383	(420,804)	(421,812)	522,910	492,571
Total revenues	\$ 12,368,154	\$ 12,537,377	\$ 19,157,905	\$ 18,512,786	\$ 31,526,059	\$ 31,050,163
Expenses:						
General government	\$ 1,707,844	\$ 1,904,737	\$ -	\$ -	\$ 1,707,844	\$ 1,904,737
Public safety	4,316,651	4,474,737	-	-	4,316,651	4,474,737
Public works	3,750,751	2,990,735	-	-	3,750,751	2,990,735
Culture and recreation	799,584	1,256,205	-	-	799,584	1,256,205
Conservation and development	618,137	2,858,732	-	-	618,137	2,858,732
Interest on long-term debt	1,128,141	1,160,619	-	-	1,128,141	1,160,619
Water	-	-	1,591,739	1,528,802	1,591,739	1,528,802
Wastewater	-	-	1,849,770	1,760,567	1,849,770	1,760,567
Electric	-	-	14,093,267	13,656,986	14,093,267	13,656,986
Solid waste	-	-	400,734	390,156	400,734	390,156
Total expenses	\$ 12,321,108	\$ 14,645,765	\$ 17,935,510	\$ 17,336,511	\$ 30,256,618	\$ 31,982,276
Increase (Decrease) in net assets	47,046	(2,108,388)	1,222,395	1,176,275	1,269,441	(932,113)
Net assets - January 1	35,798,146	37,906,534	43,573,637	42,397,362	79,371,783	80,303,896
Prior period adjustment for other post-employment benefits	(126,187)	-	-	-	(126,187)	-
Net assets - December 31	\$ 35,719,005	\$ 35,798,146	\$ 44,796,032	\$ 43,573,637	\$ 80,515,037	\$ 79,371,783

The property tax levy increased by \$247,100 (3.1%), without TID, for the 2011 collection year. This increase was directed toward the following areas:

\$ (386,060) for the General Fund Operations and Debt
 \$ 628,160 for Capital Improvements
 \$ 5,000 for Solid Waste Fund

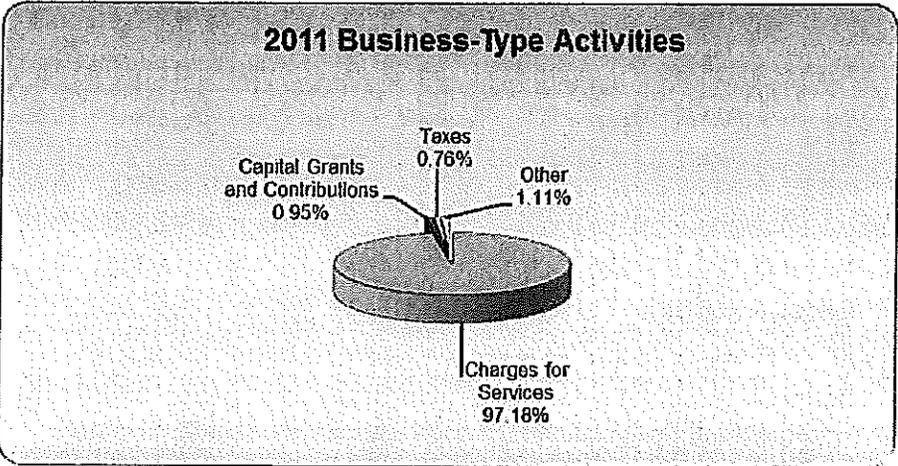
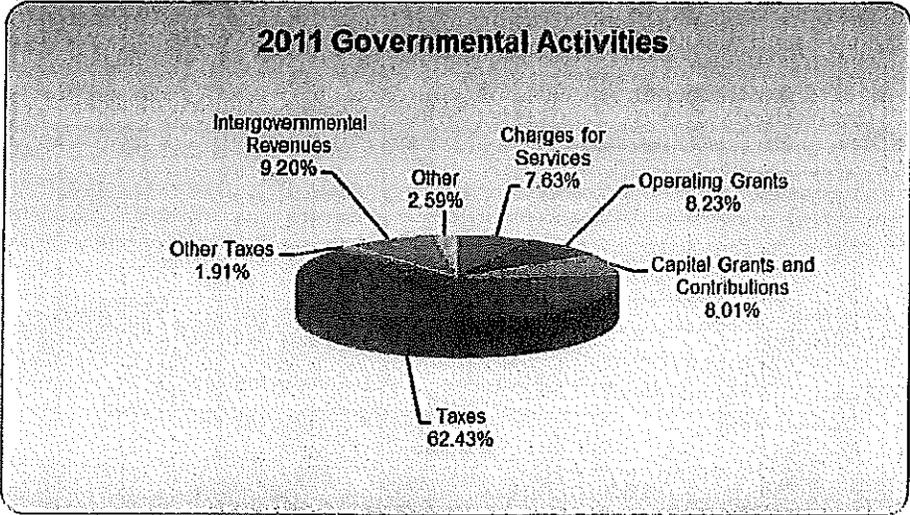
Investment earnings increased/(decreased) in the following funds primarily due to increasingly low interest rates and maintaining slightly lower fund balances:

\$ (16,584) General
 \$ (4) Capital Fund
 \$ 32 Tourism Fund
 \$ (1,603) Tax Increment District #2
 \$ (630) Tax Increment District #1
 \$ (574) Tax Increment District #3
 \$ 377 Revolving Loan Fund

The City realized a one-time gain of \$18,454 on the sale of land and capital assets.

Funding Sources for the governmental activities and business-type activities for the City of Sturgeon Bay and Sturgeon Bay Utilities

The Chart on the right illustrates how governmental activities are funded. Property taxes and other taxes account for 64.34% of the total revenue needed to fund governmental activities. Intergovernmental revenues and grants comprise another 25.44%, while charges for services and all other sources are equal to 10.22% of revenues.



Business-Type activities depend on charges for services as their primary revenue sources, as shown on the graph to the left. Charges for services account for 97.18% of the revenues needed to support the City's business activities.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of December 31, 2011, the City's governmental funds reported combined ending fund balances of \$9,554,635, an increase of \$1,002,416 in comparison with the prior year. Approximately 38% of this amount (\$3,608,856) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *restricted or assigned* to indicate that it is not available for new spending because it has already been restricted or assigned for the following:

\$ 1,125	Prepaid Items
\$ 3,161,961	Restricted for other Governmental Funds
\$ 2,782,693	Assigned to other Governmental Funds
<u>\$ 5,945,779</u>	Total

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$3,608,856. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned general fund balance represents 35% of total general fund budgeted 2012 expenditures, and the total general fund balance also represents 35% of that same amount.

The fund balance of the City's general fund decreased by \$751,899 during the current year. Key factors in this increase are as follows:

- Allocation of unassigned fund balance to the Capital Fund for the purchase of property and scheduled use of prior year's surplus.

The Capital Improvements Fund has a total fund balance of \$2,521,993. The entire amount is assigned. Assigned fund balance represents 166% of total 2012 budgeted Capital Fund expenditures. The Tax Incremental District #2 Fund has a total fund balance of \$2,153,813 and the Tax Incremental District #3 Fund has a total fund balance of \$315,645. The TID District fund balances are restricted to carry out the project plan of the Districts.

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

Unrestricted net assets of the Utility fund at the end of the year amounted to \$6,178,712. The total increase in net assets was \$1,175,274.

Unrestricted net assets of the Solid Waste fund at the end of the year amounted to \$325,851. The total growth in net assets was \$47,121.

Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

Budgetary Highlights

Generally the original budget is rarely modified. In most instances, when the budget is modified, the line item adjustments are made within the department. Following is a list of budget adjustments that were made in 2011 where the adjustments were made between different departments:

- 1) The amount of \$1,000 was transferred from Police Department - Investigations (operating) to Police Department - Patrol (operating) to cover training expenses.

During the year, actual general fund revenues were more than budgeted revenues and appropriated balances by \$198,968 prior to applying budgeted appropriated balances and reserves. The 2011 budget contained \$1,791,422 in appropriated balances and reserves.

Actual expenditures were less than budgeted expenditures by \$1,336,558 in the general fund primarily due to appropriation of staff time to special funds, deferred debt payments based upon timing of capital purchases, and lack of appropriations out of contingency and unclassified accounts.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounts to \$91,900,191 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress. The total increase in the City's investment in capital assets for the current year was \$230,504 or roughly .25% compared to last year.

Major capital assets acquired or constructed during the year include:

- 2 Squad Cars
- Leaf Vacuum
- Tandem Axle Dump Truck
- Trackless w/Blower
- One Ton Dump Truck
- Annual Storm Sewer Outlay
- Annual Road Resurfacing and Repair
- Annual Slurry Seal/Crack Filling/Chip Sealing
- Annual Alley/Parking Lot Repair
- Annual Curb and Gutter Repair
- Reconstruct Egg Harbor Rd/8th Avenue Intersection
- Egg Harbor Road Improvements including intersection controls
- Extended Sanitary Sewer and Watermain on N 14th Avenue
- Reconstructed Michigan Street from 18th Avenue to the Highway, Including Storm Sewer
- Property Acquisition on Egg Harbor Road and 14th Avenue for Redevelopment and Storm Water Detention
- Sixty Foot Bucket Truck
- Emergency Generator at Wastewater Treatment Plant
- Replacement SCADA System for Water Utility
- Flow Monitoring Study to Reduce Inflow and Infiltration
- Rebuilt 14th Avenue Electric Circuit

City of Sturgeon Bay's Capital Assets (Governmental Activities are net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 5,956,136	\$ 5,522,704	\$ 265,264	\$ 265,264	\$ 6,221,400	\$ 5,787,968
Land improvements	950,861	1,085,935	-	-	950,861	1,085,935
Buildings	7,040,076	7,176,688	5,976,003	5,961,095	13,016,079	13,137,783
Machinery and equipment and vehicles	2,085,293	2,073,474	16,848,399	16,666,733	18,933,692	18,740,207
Infrastructure	38,097,117	38,025,958	43,936,440	43,034,680	82,033,557	81,060,638
Less: Utility and solid waste fund depreciation	-	-	(29,504,380)	(28,193,157)	(29,504,380)	(28,193,157)
Construction in progress	-	-	248,982	50,313	248,982	50,313
Total	\$ 54,129,483	\$ 53,884,759	\$ 37,770,708	\$ 37,784,928	\$ 91,900,191	\$ 91,669,687

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$27,895,684 of this amount, \$13,750,684 comprises debt backed by the full faith and credit of the government and \$14,145,000 is debt which is expected to be paid by Tax Incremental Districts.

City of Sturgeon Bay's Outstanding Debt General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation debt:						
Bonds	\$ 12,035,000	\$ 10,520,000	\$ -	\$ -	\$ 12,035,000	\$ 10,520,000
Notes	1,715,684	1,294,181	-	-	1,715,684	1,294,181
Total general obligation debt	\$ 13,750,684	\$ 11,814,181	\$ -	\$ -	\$ 13,750,684	\$ 11,814,181
Leases	14,145,000	15,350,000	-	-	14,145,000	15,350,000
Total	\$ 27,895,684	\$ 27,164,181	\$ -	\$ -	\$ 27,895,684	\$ 27,164,181

The City's total debt increased by \$731,503 during the current fiscal year. The key factor in this increase was due to the issuance of GO debt in TID #2 which restructured the TID #2 debt payment schedule to more closely coincide with the anticipated timing of tax increment revenue.

The Sturgeon Bay Utility has no outstanding debt as of December 31, 2011.

The City maintains an Aa3 rating from Moody's Investors Service for its general obligation debt.

State statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is \$41,173,015, which is significantly in excess of the City's \$13,750,684, in outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry and retail activities which support our tax base.
- Inflationary trends in our region compare favorably to national indices.
- During the current year, unassigned fund balance in the general fund decreased to \$3,608,856. The City has appropriated \$455,392 of this amount for spending in the 2012 fiscal year budget.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Director/City Treasurer, City of Sturgeon Bay, 421 Michigan St, Sturgeon Bay, WI 54235.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

CITY OF STURGEON BAY, WISCONSIN
Statement of Net Assets
December 31, 2011
(With summarized financial information as of December 31, 2010)

	Governmental Activities	Business-type Activities	Total		Component Unit Sturgeon Bay Visitor Center
			2011	2010	
ASSETS					
Cash and investments	\$ 12,337,784	\$ 5,450,991	\$ 17,788,775	\$ 18,000,991	\$ 234,604
Receivables					
Taxes	15,541,251	150,000	15,691,251	14,332,128	-
Accounts	156,658	1,610,035	1,766,693	1,694,181	6,419
Special assessments	855,483	-	855,483	888,851	-
Loans	300,850	-	300,850	703,126	-
Other	-	150,492	150,492	184,806	-
Internal balances	639,833	(639,833)	-	-	-
Due from other governments	7,284	-	7,284	435	-
Inventories and prepaid items	1,125	638,273	639,398	561,904	4,509
Unamortized debt issuance costs	-	-	-	-	293
Restricted assets					
Cash and investments	-	520,761	520,761	520,771	-
Investment in American Transmission Company	-	1,464,241	1,464,241	1,379,240	-
Non-utility property	-	42,000	42,000	42,000	-
Capital assets, nondepreciable					
Land	5,956,136	223,264	6,179,400	5,745,968	59,880
Construction in progress	-	248,982	248,982	50,313	-
Capital assets, depreciable					
Land improvements	4,185,881	-	4,185,881	4,185,881	9,754
Buildings and improvements	9,819,098	5,976,003	15,795,101	15,681,904	164,602
Machinery and equipment	7,238,492	16,848,399	24,086,891	23,640,292	24,885
Infrastructure	54,953,687	43,936,440	98,890,127	97,295,703	-
Less: Accumulated depreciation	(28,023,811)	(29,504,380)	(57,528,191)	(54,972,374)	(57,560)
TOTAL ASSETS	83,969,751	47,115,668	131,085,419	129,936,120	447,386
LIABILITIES					
Accounts payable	253,623	1,604,623	1,858,246	2,122,541	1,995
Other current liabilities	206,997	74,465	281,462	272,798	8,156
Accrued interest payable	278,729	-	278,729	272,167	600
Due to other governments	11,481,531	-	11,481,531	11,853,180	-
Deposits	-	163,305	163,305	182,921	58,146
Compensated absences	738,878	316,638	1,055,516	1,012,255	-
Public benefits payable	-	10,605	10,605	214,575	-
Unearned revenues	7,188,672	150,000	7,338,672	7,469,719	107,629
Long-term obligations					
Due within one year	2,126,700	-	2,126,700	1,931,894	13,984
Due in more than one year	25,975,616	-	25,975,616	25,232,287	125,985
TOTAL LIABILITIES	48,250,746	2,319,636	50,570,382	50,564,337	316,495
NET ASSETS					
Invested in capital assets, net of related debt	26,233,799	37,770,708	64,004,507	65,355,506	61,592
Restricted for					
Capital projects	3,161,961	520,761	3,682,722	2,122,525	-
Unrestricted	6,323,245	6,504,563	12,827,808	11,893,752	69,299
TOTAL NET ASSETS	\$ 35,719,005	\$ 44,796,032	\$ 80,515,037	\$ 79,371,783	\$ 130,891

The notes to the basic financial statements are an integral part of this statement.

CITY OF STURGEON BAY, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2011
(With summarized financial information for the year ended December 31, 2010)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,707,844	\$ 179,368	\$ -	\$ -
Public safety	4,316,651	535,889	314,788	-
Public works	3,750,751	23,026	608,870	903,442
Culture and recreation	799,584	144,451	41,267	31,056
Development	618,137	12,317	-	4,543
Interest on debt	1,128,141	-	-	-
Total Governmental Activities	12,321,108	895,051	964,925	939,041
Business-type Activities				
Water utility	1,591,739	1,994,809	-	95,311
Sewer utility	1,849,770	1,904,858	-	-
Electric utility	14,093,267	15,043,263	-	92,613
Solid waste utility	400,734	297,855	-	-
Total Business-type Activities	17,935,510	19,240,785	-	187,924
Total Primary Government	\$ 30,256,618	\$ 20,135,836	\$ 964,925	\$ 1,126,965
Component Unit				
Sturgeon Bay Visitor Center	\$ -	\$ -	\$ -	\$ -

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for capital projects

Other taxes

Federal and state grants and other contributions

not restricted to specific functions

Interest and investment earnings

Miscellaneous

Gain on sale of capital asset

Transfers

Total general revenues and transfers

Change in net assets

Net assets - January 1

Prior period adjustment for other post-employment benefits

Net assets - December 31

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets				
Primary Government				Component Unit Sturgeon Bay Visitor Center
Governmental Activities	Business-type Activities	Total		
		2011	2010	

\$ (1,528,476)	\$ -	\$ (1,528,476)	\$ (1,736,581)	\$ -
(3,465,974)	-	(3,465,974)	(3,006,931)	-
(2,215,413)	-	(2,215,413)	(2,384,266)	-
(582,810)	-	(582,810)	(599,945)	-
(601,277)	-	(601,277)	(2,850,866)	-
(1,128,141)	-	(1,128,141)	(1,160,619)	-
(9,522,091)	-	(9,522,091)	(11,739,208)	-

-	498,381	498,381	515,040	-
-	55,088	55,088	180,522	-
-	1,042,609	1,042,609	855,620	-
-	(102,879)	(102,879)	(98,095)	-
-	1,493,199	1,493,199	1,453,087	-

(9,522,091)	1,493,199	(8,028,892)	(10,286,121)	-
-------------	-----------	-------------	--------------	---

-	-	-	-	(9,908)
---	---	---	---	---------

4,400,212	150,000	4,550,212	4,931,272	-
2,922,681	-	2,922,681	2,642,211	-
223,825	-	223,825	224,396	-
1,078,705	-	1,078,705	1,063,558	-
45,532	212,716	258,248	283,338	-
258,349	6,313	264,662	209,612	-
-	-	-	(379)	-
639,833	(639,833)	-	-	-
9,569,137	(270,804)	9,298,333	9,354,008	-

47,046	1,222,395	1,269,441	(932,113)	(9,908)
--------	-----------	-----------	-----------	---------

35,798,146	43,573,637	79,371,783	80,303,896	140,799
------------	------------	------------	------------	---------

(126,187)	-	(126,187)	-	-
-----------	---	-----------	---	---

\$ 35,719,005	\$ 44,796,032	\$ 80,515,037	\$ 79,371,783	\$ 130,891
---------------	---------------	---------------	---------------	------------

Fund Financial Statements

CITY OF STURGEON BAY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2011

(With summarized financial information as of December 31, 2010)

	General Fund	Capital Improvements	Tax Incremental District #2
ASSETS			
Cash and investments	\$ 6,331,710	\$ 2,519,596	\$ 2,197,223
Receivables			
Taxes	13,476,369	484,940	1,126,504
Accounts	151,261	2,150	3,247
Special assessments	855,483	-	-
Loans	-	-	-
Due from other funds	706,650	247	-
Due from other governments	7,284	-	-
Inventories and prepaid items	1,125	-	-
TOTAL ASSETS	\$ 21,529,882	\$ 3,006,933	\$ 3,326,974
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 252,223	\$ -	\$ -
Accrued payroll liabilities	208,397	-	-
Due to other funds	-	-	46,657
Due to other governments	11,481,531	-	-
Deferred revenues	5,977,750	484,940	1,126,504
Total Liabilities	17,919,901	484,940	1,173,161
Fund Balances			
Nonspendable			
Inventories and prepaid items	1,125	-	-
Restricted			
Assigned	-	2,521,993	-
Unassigned			
Unassigned	3,608,856	-	-
Total Fund Balances	3,609,981	2,521,993	2,153,813
TOTAL LIABILITITES AND FUND BALANCES	\$ 21,529,882	\$ 3,006,933	\$ 3,326,974

(Continued)

Tax Incremental District #3	Other Governmental Funds	Total Governmental Funds	
		2011	2010

\$ 324,162	\$ 965,093	\$ 12,337,784	\$ 13,449,809
-	453,438	15,541,251	14,182,128
-	-	156,658	28,732
-	-	855,483	888,851
-	300,850	300,850	703,126
-	-	706,897	861,787
-	-	7,284	435
-	-	1,125	1,125
<hr/>			
\$ 324,162	\$ 1,719,381	\$ 29,907,332	\$ 30,115,993

\$ -	\$ -	\$ 252,223	395,471
-	-	208,397	202,513
8,517	11,890	67,064	221,954
-	-	11,481,531	11,853,180
-	754,288	8,343,482	8,890,656
<hr/>			
8,517	766,178	20,352,697	21,563,774

-	-	1,125	1,125
315,645	692,503	3,161,961	1,601,754
-	260,700	2,782,693	2,039,346
-	-	3,608,856	4,909,994
<hr/>			
315,645	953,203	9,554,635	8,552,219

\$ 324,162	\$ 1,719,381	\$ 29,907,332	\$ 30,115,993
------------	--------------	---------------	---------------

CITY OF STURGEON BAY, WISCONSIN
 Balance Sheet (Continued)
 Governmental Funds
 December 31, 2011
 (With summarized financial information as of December 31, 2010)

<u>Reconciliation to the Statement of Net Assets</u>	2011	2010
Total Fund Balances as shown on previous page	\$ 9,554,635	\$ 8,552,219
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	54,129,483	53,884,759
Some special assessments and loans used in governmental financing activities are unavailable financial resources and therefore are deferred in the funds.	1,154,810	1,570,937
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(13,750,684)	(11,814,181)
Leases	(14,145,000)	(15,350,000)
Compensated absences	(738,878)	(773,421)
Other post-employment benefits	(206,632)	-
Accrued interest on long-term obligations	(278,729)	(272,167)
Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 12)	<u>\$ 35,719,005</u>	<u>\$ 35,798,146</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF STURGEON BAY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011
(With summarized financial information for the year ended December 31, 2010)

	General Fund	Capital Improvements	Tax Incremental District #2
Revenues			
Taxes	\$ 4,624,037	\$ 1,167,410	\$ 1,366,424
Special assessments	-	44,927	-
Intergovernmental	1,945,917	42,732	19,254
Licenses and permits	127,189	-	-
Fines and forfeits	61,415	6,385	-
Public charges for services	180,062	2,400	-
Intergovernmental charges for services	465,689	-	-
Commercial	47,998	-	-
Miscellaneous	204,613	855,472	6,072
Total Revenues	7,656,920	2,119,326	1,391,750
Expenditures			
Current			
General government	1,489,026	-	-
Public safety	4,017,974	-	-
Public works	1,565,998	-	-
Culture and recreation	775,654	-	-
Development	275,981	-	74,332
Debt service			
Principal	400,046	-	1,531,848
Interest and fiscal charges	160,067	-	906,587
Capital outlay	-	3,013,711	76,376
Total Expenditures	8,684,746	3,013,711	2,589,143
Excess of Revenues Over (Under) Expenditures	(1,027,826)	(894,385)	(1,197,393)
Other Financing Sources (Uses)			
Long-term debt issued	-	678,397	1,985,000
Sale of capital assets	-	208,374	22,009
Transfers in	766,188	490,261	263,124
Transfers out	(490,261)	-	(38,422)
Total Other Financing Sources (Uses)	275,927	1,377,032	2,231,711
Net Change in Fund Balances	(751,899)	482,647	1,034,318
Fund Balances - January 1	4,361,880	2,039,346	1,119,495
Fund Balances - December 31	\$ 3,609,981	\$ 2,521,993	\$ 2,153,813

(Continued)

Tax Incremental District #3	Other Governmental Funds	Total Governmental Funds	
		2011	2010
\$ 4,046	\$ 384,801	\$ 7,546,718	\$ 7,652,879
-	-	44,927	4,191
538	8,479	2,016,920	3,013,147
-	113,797	240,986	212,239
-	-	67,800	71,204
-	-	182,462	164,577
-	-	465,689	468,812
-	-	47,998	49,270
371	410,106	1,476,634	491,207
4,955	917,183	12,090,134	12,127,526
-	-	1,489,026	1,401,950
-	-	4,017,974	3,837,060
-	-	1,565,998	1,399,692
-	-	775,654	779,822
10,101	139,099	499,513	950,087
-	-	1,931,894	2,032,504
54,925	-	1,121,579	1,189,557
99,813	29,793	3,219,693	4,438,579
164,839	168,892	14,621,331	16,029,251
(159,884)	748,291	(2,531,197)	(3,901,725)
-	-	2,663,397	235,469
-	-	230,383	15,296
121,677	72,500	1,713,750	1,205,631
-	(545,234)	(1,073,917)	(565,798)
121,677	(472,734)	3,533,613	890,598
(38,207)	275,557	1,002,416	(3,011,127)
353,852	677,646	8,552,219	11,563,346
\$ 315,645	\$ 953,203	\$ 9,554,635	\$ 8,552,219

CITY OF STURGEON BAY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2011
(With summarized financial information for the year ended December 31, 2010)

	2011	2010
<u>Reconciliation to the Statement of Activities</u>		
Net Change in Fund Balances as shown on previous page	\$ 1,002,416	(\$3,011,127)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	\$ 2,389,234	
Depreciation expense reported in the statement of activities	<u>(1,934,390)</u>	
Amount by which capital outlays are greater (less) than depreciation in current period	454,844	(758,868)
In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.		
Loss on disposition reported on the statement of activities	(210,120)	(282,424)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased (increased) by:		
	(45,902)	(97,111)
Some capital assets acquired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net assets, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:		
	(2,663,397)	(235,469)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:		
	1,931,894	2,032,504
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.		
	(6,562)	28,579
Governmental funds do not record revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		
	(34,051)	(4,194)
Rehabilitation loans that are deferred in the fund statements are recognized as revenue in the statement of activities.		
	<u>(382,076)</u>	<u>219,722</u>
Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see pages 13 - 14)	<u>\$ 47,046</u>	<u>\$ (2,108,388)</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF STURGEON BAY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,585,367	\$ 4,585,367	\$ 4,624,037	\$ 38,670
Special assessments	1,035	1,035	-	(1,035)
Intergovernmental	1,915,690	1,915,690	1,945,917	30,227
Licenses and permits	125,175	125,175	127,189	2,014
Fines and forfeits	65,000	65,000	61,415	(3,585)
Public charges for services	156,240	156,240	180,062	23,822
Intergovernmental charges for services	468,815	468,815	465,689	(3,126)
Commercial	47,770	47,770	47,998	228
Miscellaneous	92,860	92,860	204,613	111,753
Total Revenues	7,457,952	7,457,952	7,656,920	198,968
Expenditures				
Current				
General government	2,459,229	2,459,229	1,489,026	970,203
Public safety	4,091,235	4,091,235	4,017,974	73,261
Public works	1,660,915	1,660,915	1,565,998	94,917
Culture and recreation	837,015	837,015	775,654	61,361
Development	298,650	298,650	275,981	22,669
Debt service				
Principal	483,747	483,747	400,046	83,701
Interest and fiscal charges	190,513	190,513	160,067	30,446
Total Expenditures	10,021,304	10,021,304	8,684,746	1,336,558
Excess of Revenues Over (Under)				
Expenditures	(2,563,352)	(2,563,352)	(1,027,826)	1,535,526
Other Financing Sources (Uses)				
Transfers in	771,930	771,930	766,188	(5,742)
Transfers out	-	-	(490,261)	(490,261)
Total Other Financing Sources (Uses)	771,930	771,930	275,927	(496,003)
Net Change in Fund Balance	(1,791,422)	(1,791,422)	(751,899)	1,039,523
Fund Balance - January 1	4,361,880	4,361,880	4,361,880	-
Fund Balance - December 31	\$ 2,570,458	\$ 2,570,458	\$ 3,609,981	\$ 1,039,523

The notes to the basic financial statements are an integral part of this statement.

CITY OF STURGEON BAY, WISCONSIN
Statement of Net Assets
Proprietary Funds
December 31, 2011
(With summarized financial information as of December 31, 2010)

	Enterprise Funds					
	Sturgeon Bay Utilities			Nonmajor Fund Solid Waste	Total	
	Sewer Utility	Water Utility	Electric Utility		2011	2010
ASSETS						
Cash and Investments	\$ 670,375	\$ 450,621	\$ 4,002,328	\$ 327,667	\$ 5,450,991	\$ 4,551,182
Receivables						
Taxes	-	-	-	150,000	150,000	150,000
Accounts	116,881	168,600	1,324,554	-	1,610,035	1,665,449
Other	42,127	451	107,914	-	150,492	184,806
Due from other funds	-	1,003,286	508,520	-	1,511,806	866,095
Inventories and prepaid expenses	8,465	84,667	545,141	-	638,273	560,779
Restricted assets						
Cash and investments	520,761	-	-	-	520,761	520,771
Investment in American Transmission Company	-	-	1,464,241	-	1,464,241	1,379,240
Non-utility property	-	42,000	-	-	42,000	42,000
Capital assets, nondepreciable						
Land	95,170	80,840	47,254	-	223,264	223,264
Construction in progress	42,848	100,231	105,903	-	248,982	50,313
Capital assets, depreciable						
Buildings	2,596,393	1,557,179	1,822,431	-	5,976,003	5,961,095
Machinery and equipment	6,800,417	2,335,491	7,393,871	318,620	16,848,399	16,666,733
Infrastructure	9,960,849	14,653,304	19,322,287	-	43,936,440	43,034,680
Less: Accumulated depreciation	(10,044,090)	(6,775,843)	(12,461,412)	(223,035)	(29,504,380)	(28,193,157)
TOTAL ASSETS	10,810,196	13,700,827	24,183,032	573,252	49,267,307	47,663,250
LIABILITIES						
Accounts payable	106,470	13,951	1,484,202	-	1,604,623	1,723,670
Other current liabilities	10,353	10,528	51,768	1,816	74,465	73,685
Due to other funds - municipality	-	315,832	324,001	-	639,833	639,833
Due to other funds	508,520	-	1,003,286	-	1,511,806	866,095
Deposits	-	-	163,305	-	163,305	182,921
Unearned revenue	-	-	-	150,000	150,000	150,000
Compensated absences	35,205	35,800	245,633	-	316,638	238,834
Public benefits payable	-	-	10,605	-	10,605	214,575
TOTAL LIABILITIES	660,548	376,111	3,282,800	151,816	4,471,275	4,089,613
NET ASSETS						
Invested in capital assets, net of related debt	9,451,587	11,993,202	16,230,334	95,585	37,770,708	37,784,928
Restricted for						
Capital projects	520,761	-	-	-	520,761	520,771
Unrestricted	177,300	1,331,514	4,669,898	325,851	6,504,563	5,267,938
TOTAL NET ASSETS	\$ 10,149,648	\$ 13,324,716	\$ 20,900,232	\$ 421,436	\$ 44,796,032	\$ 43,573,637

The notes to the basic financial statements are an integral part of this statement.

CITY OF STURGEON BAY, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2011
(With summarized financial information for the year ended December 31, 2010)

	Enterprise Funds					
	Sturgeon Bay Utilities			Nonmajor Fund Solid Waste	Total	
	Sewer Utility	Water Utility	Electric Utility		2011	2010
Operating Revenues						
Charges for services						
Electric charges	\$ -	\$ -	\$ 14,946,075	\$ -	\$ 14,946,075	\$ 14,352,642
Water charges	-	1,967,733	-	-	1,967,733	2,004,402
Wastewater charges	1,886,648	-	-	-	1,886,648	1,921,585
Solid waste charges	-	-	-	295,569	295,569	290,167
Other	14,677	25,347	59,972	2,286	102,282	105,039
Total Operating Revenues	1,901,325	1,993,080	15,006,047	297,855	19,198,307	18,673,835
Operating Expenses						
Operation and maintenance	1,363,354	1,164,787	12,950,407	368,872	15,847,420	15,381,810
Depreciation	474,129	422,531	966,476	31,862	1,894,998	1,786,578
Taxes	12,287	4,421	175,907	-	192,615	167,614
Total Operating Expenses	1,849,770	1,591,739	14,092,790	400,734	17,935,033	17,336,002
Operating Income (Loss)	51,555	401,341	913,257	(102,879)	1,263,274	1,337,833
Nonoperating Revenues (Expenses)						
Interest income	16,054	9,481	187,181	-	212,716	212,795
Merchandising and jobbing	3,533	1,729	37,216	-	42,478	17,595
Interest expense	-	-	(477)	-	(477)	(509)
Property taxes	-	-	-	150,000	150,000	145,000
Miscellaneous income	6,313	-	-	-	6,313	5,605
Gain (loss) on sale of asset	-	-	-	-	-	(379)
Total Nonoperating Revenues (Expenses)	25,900	11,210	223,920	150,000	411,030	380,107
Income Before Contributions and Transfers	77,455	412,551	1,137,177	47,121	1,674,304	1,717,940
Capital contributions	-	95,311	92,613	-	187,924	98,168
Transfers out	-	(315,832)	(324,001)	-	(639,833)	(639,833)
Change in Net Assets	77,455	192,030	905,789	47,121	1,222,395	1,176,275
Net Assets - January 1	10,072,193	13,132,686	19,994,443	374,315	43,573,637	42,397,362
Net Assets - December 31	\$ 10,149,648	\$ 13,324,716	\$ 20,900,232	\$ 421,436	\$ 44,796,032	\$ 43,573,637

The notes to the basic financial statements are an integral part of this statement.

CITY OF STURGEON BAY, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2011

(With summarized financial information for the year ended December 31, 2010)

	Sturgeon Bay Utilities	Nonmajor Fund Solid Waste	Total	
			2011	2010
Cash Flows from Operating Activities				
Cash received from user charges	\$ 18,870,568	\$ 295,569	\$ 19,166,137	\$ 18,632,016
Cash received from other charges	148,787	2,286	151,073	128,239
Cash payments to suppliers	(14,654,461)	(368,872)	(15,023,333)	(14,279,404)
Cash payments to employees for operating payroll	(1,197,880)	19	(1,197,861)	(1,119,770)
Net Cash Provided by (Used In) Operating Activities	3,167,014	(70,998)	3,096,016	3,361,081
Cash Flows from Noncapital Financing Activities				
Paid to municipality for tax equivalent	(639,833)	-	(639,833)	(639,833)
Property taxes	-	150,000	150,000	145,000
Net Cash Provided By (Used in) Noncapital Financing Activities	(639,833)	150,000	(489,833)	(494,833)
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(2,021,546)	-	(2,021,546)	(3,176,736)
Capital contributions received	187,924	-	187,924	98,168
Principal payments on long-term debt	-	-	-	(1,250,000)
Interest payments on long-term debt	(477)	-	(477)	(22,386)
Net Cash Used in Capital and Related Financing Activities	(1,834,099)	-	(1,834,099)	(4,350,954)
Cash Flows from Investing Activities				
Increase in ATC investment	(85,001)	-	(85,001)	(77,874)
Investment income	212,716	-	212,716	212,795
Net Cash Provided by Investing Activities	127,715	-	127,715	134,921
Net Increase (Decrease) in Cash and Cash Equivalents	820,797	79,002	899,799	(1,349,785)
Cash and Cash Equivalents - January 1	4,823,288	248,665	5,071,953	6,421,738
Cash and Cash Equivalents - December 31	\$ 5,644,085	\$ 327,667	\$ 5,971,752	\$ 5,071,953
Noncash Noncapital Financing Activities:				
Developer financed additions to utility plant	\$ 187,924	\$ -	\$ 187,924	\$ 98,168

(Continued)

CITY OF STURGEON BAY, WISCONSIN

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended December 31, 2011

(With summarized financial information for the year ended December 31, 2010)

	Sturgeon Bay Utilities	Nonmajor Fund Solid Waste	Total	
			2011	2010
Reconciliation of Operating Income (Loss) to				
Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 1,366,153	\$ (102,879)	\$ 1,263,274	\$ 1,337,833
Nonoperating revenue	48,791	-	48,791	23,200
Adjustments to reconcile operating income (loss)				
to net cash provided by operating activities:				
Depreciation	1,863,136	31,862	1,894,998	1,786,578
Depreciation charged to other accounts	140,768	-	140,768	146,264
Changes in assets and liabilities:				
Customer accounts receivable	55,414	-	55,414	(164,844)
Other accounts receivable	34,314	-	34,314	230,285
Inventories and prepaid expenses	(77,494)	-	(77,494)	(2,679)
Accounts payable	(119,047)	-	(119,047)	33,044
Deposits	(19,616)	-	(19,616)	(2,221)
Accrued and other current liabilities	761	19	780	7,122
Public benefits payable	(203,970)	-	(203,970)	(66,386)
Compensated absences payable	77,804	-	77,804	32,885
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,167,014</u>	<u>\$ (70,998)</u>	<u>\$ 3,096,016</u>	<u>\$ 3,361,081</u>
Reconciliation of Cash and Cash Equivalents to				
Statement of Net Assets:				
Cash and investments	\$ 5,123,324	\$ 327,667	\$ 5,450,991	\$ 4,551,182
Restricted cash and investments	520,761	-	520,761	520,771
Total Cash and Cash Equivalents	<u>\$ 5,644,085</u>	<u>\$ 327,667</u>	<u>\$ 5,971,752</u>	<u>\$ 5,071,953</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Sturgeon Bay, Wisconsin, ("the City"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

1. Reporting Entity

The City of Sturgeon Bay is a municipal corporation governed by an elected seven-member council. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has identified the following component unit that is required to be included in the basic financial statements in accordance with standards established by GASB Statement Nos. 14 and 39.

2. Individual Component Unit Disclosures

DISCRETELY PRESENTED COMPONENT UNIT

The Sturgeon Bay Visitor Center, Inc. (SBVC) is a not-for-profit corporation operating in the City to promote tourism in the City. The primary source of revenues for SBVC consists of revenues from various funds of the City. The SBVC is reported in a separate column to emphasize that the entity is legally separate from the City.

3. Jointly Governed Organizations

The City of Sturgeon Bay is a participant with Door County, Wisconsin in a joint venture to operate the Door County Library. The Door County Library is governed by a seven-member board composed of two members of the City of Sturgeon Bay Council and five members appointed by Door County. The City and County are obligated by agreement to fund one-half of the utilities, janitorial service, insurance, maintenance and repair and related supplies for grounds, building, its contents and equipment located at the library. During 2011, the City remitted an appropriation of \$72,465 to Door County for the library. The library building is owned by the City and is included in the capital assets of the governmental activities. Complete financial statements for the Door County Library can be obtained from Door County at 421 Nebraska St. Sturgeon Bay, Wisconsin 54235.

DOOR COUNTY TOURISM ZONE

The City of Sturgeon Bay is a participant with all other Door County municipalities in a joint venture to create the Door County Tourism Zone as prescribed under Wisconsin Statute 66.0615. The Tourism Zone is responsible for collecting a 5.5% room tax on the gross receipts from retail furnishing of rooms or lodgings over all of the member municipalities. The Tourism Zone pays 66% of the room tax collected to the Door County Visitor Bureau, 30% to the member municipalities and retains 4% for its operations. During 2011, the City of Sturgeon Bay received \$140,070 of room tax from the Tourism Zone. Complete financial information for the Door County Tourism Zone Commission can be obtained from their office in Sister Bay. Revenue received is recorded in the general fund of the City.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and the proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

GENERAL FUND

This is the City's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

CAPITAL IMPROVEMENTS FUND

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

TAX INCREMENTAL DISTRICT NO. 2, WATERFRONT DISTRICT

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities within the boundaries of the waterfront tax incremental district.

TAX INCREMENTAL DISTRICT NO. 3, BLIGHT ELIMINATION DISTRICT

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities within the boundaries of the blight elimination tax incremental district.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" for the year ended December 31, 2011. The City reports the following special revenue funds, including the purpose and significant revenue source:

Fund	Purpose	Significant Revenues
Revolving Loan	This fund is used to account for financial resources to be used for the community's business development.	Initial grant proceeds and subsequent loan receipts
Tourism	This fund is used to account for promoting tourism within the City.	Room tax and interfund transfers
Cable TV	This fund is used to provide quality public access and information channels to the general public.	Cable franchise fee

The City reports the following major proprietary fund:

STURGEON BAY UTILITIES

This fund is used to account for the operations of the City's water, electric and sewer utilities.

5. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, city ordinance forfeitures, public charges for services and interest. Other revenues such as licenses and permits, other fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the City's water, electric, sewer and solid waste utilities and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Payments in lieu of taxes are reported as an interfund transfer in the year of payment as the amount is not considered reasonably equivalent in value to the services provided by the general fund.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

6. Assets, Liabilities and Net Assets or Equity

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net assets for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

d. Inventories

Inventories are recorded at cost, which approximates market, using the average cost method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance amounts to indicate that they do not represent spendable available financial resources.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance amounts to indicate that they do not represent spendable available financial resources.

f. Other Assets

Investment in American Transmission Company (ATC)

The utility is a member of ATC. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The utility owns less than 1/2 of 1 percent of ATC.

The investment earns dividends quarterly, 80% of which is paid in cash and 20% of which is required to be reinvested. From time to time, the utility has the option to contribute additional funds to maintain their proportionate share of ownership. The asset is valued at original cost plus additional contributions and reinvested dividends, which is \$1,464,241 at December 31, 2011.

g. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets for governmental activities are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of two years. Capital assets for business-type activities are defined by Sturgeon Bay Utilities as assets with an initial, individual cost of \$1,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	Governmental Activities Years
Land improvements	15
Buildings and improvements	40
Machinery and equipment	5 - 10
Infrastructure	60 - 100

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	Business-type Activities Years
<u>Assets</u>	
Electric Plant	
Distribution	16 - 40
General	3 - 39
Water Plant	
Source of supply	22 - 56
Pumping	23 - 32
Water treatment	19 - 32
Transmission and distribution	18 - 77
General	3 - 24
Sewer Plant	
Collecting system	50 - 100
Collecting system pumping	25
Treatment and disposal	15 - 40
General	3 - 40
Solid Waste	
Machinery and equipment	5 - 10

h. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. Employees may accumulate sick leave up to 100 days pay. Upon retirement, employees may take 50 days of unused sick leave in cash, except for fire department employees, or apply up to 100 days of unused sick pay towards health insurance premiums. If an employee leaves for reasons other than retirement all unused sick leave is forfeited. Sturgeon Bay Utilities' employees are allowed to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. Employees are allowed to accumulate up to 125 days of sick leave. Upon retirement, disability or death, unused sick leave credits shall be used for the purpose of payment of health insurance premiums upon qualified retirement. Qualified retirement means the employee is entitled to retirement benefits from the Wisconsin Retirement System. The above credit would be reduced by the percentage reduction in retirement benefits if employee elects early retirement. Vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

i. Public Benefits

The electric utility charges public benefit fees to all customers as required by the 1999 Energy Reliability Act. Revenues generated from the fees are used to fund energy conservation and low-income energy assistance ("Commitment to Community") programs. The utility is acting as an agent administering the program so revenues and expenses associated with the program are recorded as a current liability of the statement of net assets.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Customer Deposits

The balance represents amounts collected from customers which may be refundable based on rules filed with the Public Service Commission of Wisconsin (PSCW) or statutory requirements.

k. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet recognizable.

l. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

m. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

For the year ended December 31, 2011, the City implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement provides more clearly defined fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which fund balance amounts can be spent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of City management. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - Amount of net assets that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

n. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

o. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

NOTE B - STEWARDSHIP AND COMPLIANCE

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During the year, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE B - STEWARDSHIP AND COMPLIANCE

3. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council with a two-thirds majority vote.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2011.

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled \$19,773,777 on December 31, 2011 as summarized below:

Petty cash and cash on hand	\$	818
Deposits with financial institutions		9,580,742
Other investments		
Wisconsin local government investment pool		5,580,957
Money market/depository accounts		3,147,019
Investment in American Transmission Company (ATC)		1,464,241
		\$ 19,773,777

Reconciliation to the basic financial statements:

Cash and investments	\$	17,788,775
Restricted cash and investments		520,761
Investment in American Transmission Company (ATC)		1,464,241
		\$ 19,773,777

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the specific risks and the City's policy related to the risk.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for interest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts per official custodian per depository institution. In addition, the City's non-interest bearing transaction accounts are fully insured through December 31, 2012. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2011, \$4,911,545 of City's deposits with financial institutions were in excess of federal and state depository insurance. The amount of \$4,100,000 was collateralized by the pledging financial institution or trust department or agent but not in the City's name.

As of December 31, 2011, \$3,050,729 of the Utilities' deposits with financial institutions were in excess of federal and state depository insurance limits. The entire amount was collateralized by the pledging financial institution or its trust department or agent but not in the City's name.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City does not have an additional credit risk policy. At December 31, 2011 none of the investment type maintained by the City was rated.

Concentration of Credit Risk

The investment policy of the City provides that the City will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and the authorized local government investment pool, no more than 50% of the City's total investment portfolio will be invested in a single security or with a single financial institution.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Money market/depository accounts	\$ 3,147,019	\$ 2,308,411	\$ 838,608	\$ -	\$ -
Wisconsin Local Government Investment Pool	5,580,957	5,580,957	-	-	-
Totals	\$ 8,727,976	\$ 7,889,368	\$ 838,608	\$ -	\$ -

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$5,580,957 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2011, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

2. Restricted Assets

Restricted assets on December 31, 2011 totaled \$520,761 and consisted of cash and investments held for the following purposes:

Enterprise Fund	
Wastewater replacement account	<u>\$ 520,761</u>

Wastewater Replacement Account

The utility has established an equipment replacement account to be used for significant wastewater treatment mechanical equipment replacement as required by the Wisconsin Department of Natural Resources as a condition to receiving construction grants.

3. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also levies and collects taxes for the Sturgeon Bay, Southern Door and Sevastopol School Districts, Door County, Northeast Wisconsin Technical College and the State of Wisconsin.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,522,704	\$ 629,747	\$ 196,315	\$ 5,956,136
Capital assets, being depreciated:				
Land improvements	4,185,881	-	-	4,185,881
Buildings	9,720,809	98,289	-	9,819,098
Machinery and equipment	6,973,559	429,628	164,695	7,238,492
Infrastructure	54,261,023	1,231,570	538,906	54,953,687
Subtotals	75,141,272	1,759,487	703,601	76,197,158
Less accumulated depreciation for:				
Land improvements	3,099,946	135,074	-	3,235,020
Buildings	2,544,121	234,901	-	2,779,022
Machinery and equipment	4,900,085	404,004	150,890	5,153,199
Infrastructure	16,235,065	1,160,411	538,906	16,856,570
Subtotals	26,779,217	1,934,390	689,796	28,023,811
Total capital assets, being depreciated, net	48,362,055	(174,903)	13,805	48,173,347
Governmental activities capital assets, net	<u>\$ 53,884,759</u>	<u>\$ 454,844</u>	<u>\$ 210,120</u>	54,129,483
Less related long-term debt outstanding				27,895,684
Invested in capital assets, net of related debt				<u>\$ 26,233,799</u>
Business-type activities:				
Capital assets, not being depreciated:				
Non-utility land	\$ 42,000	\$ -	\$ -	\$ 42,000
Land	223,264	-	-	223,264
Construction in progress	50,313	198,669	-	248,982
Total capital assets, not being depreciated	315,577	198,669	-	514,246
Capital assets, being depreciated:				
Buildings	5,961,095	14,908	-	5,976,003
Machinery and equipment	16,666,733	523,713	342,047	16,848,399
Infrastructure	43,034,680	1,090,079	188,319	43,936,440
Subtotals	65,662,508	1,628,700	530,366	66,760,842
Less accumulated depreciation for:				
Wastewater utility	9,611,141	496,971	64,022	10,044,090
Electric distribution utility	12,020,668	442,192	36,524	12,426,336
Water utility	6,370,175	870,564	429,820	6,810,919
Solid waste	191,173	31,862	-	223,035
Subtotals	28,193,157	1,841,589	530,366	29,504,380
Total capital assets, being depreciated, net	37,469,351	(212,889)	-	37,256,462
Business-type activities capital assets, net	<u>\$ 37,784,928</u>	<u>\$ (14,220)</u>	<u>\$ -</u>	37,770,708
Less related long-term debt outstanding				-
Invested in capital assets, net of related debt				<u>\$ 37,770,708</u>

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to functions of the City as follows:

Governmental activities	
General government	\$ 198,608
Public safety	172,962
Public works	1,502,551
Culture and recreation	60,269
Total depreciation expense - governmental activities	\$ 1,934,390
Business-type activities	
Sewer	\$ 494,783
Water	442,594
Electric	1,066,527
Solid waste	31,862
Total depreciation expense - business-type activities	\$ 2,035,766

5. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2011 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds		
General Fund	\$ 706,650	\$ -
Water Utility	-	315,832
Electric Utility	-	324,001
Capital Improvements	247	-
Tax Incremental District #2	-	46,657
Tax Incremental District #3	-	8,517
Revolving loan	-	10,933
Tourism	-	957
Totals	\$ 706,897	\$ 706,897

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended December 31, 2011 were as follows:

	Transfer from:				
	Totals	General Fund	Sturgeon Bay Utilities	Cable TV	Revolving Loan
Transfers to:					
General fund	\$ 766,188	\$ -	\$ 639,833	\$ 77,000	\$ 10,933
Capital improvements	490,261	490,261	-	-	-
TID No. 2	263,124	-	-	-	-
TID No. 3	121,677	-	-	-	-
Tourism fund	72,500	-	-	72,500	-
Totals	<u>\$ 1,713,750</u>	<u>\$ 490,261</u>	<u>\$ 639,833</u>	<u>\$ 149,500</u>	<u>\$ 10,933</u>

	Transfer from:	
	Tax Incremental District #1	Tax Incremental District #2
	Transfers to:	
General fund	\$ -	\$ 38,422
Capital improvements	-	-
TID No. 2	263,124	-
TID No. 3	121,677	-
Tourism fund	-	-
Totals	<u>\$ 384,801</u>	<u>\$ 38,422</u>

Transfers are used to (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them (3) transfer the annual tax equivalent to the municipality.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

6. Deferred Revenues

Governmental activities and governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds also report deferred revenue in connection with receivables for resources that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue were as follows:

	Unavailable	Unearned
Property taxes and special assessments levied to finance 2011 budget		
General fund	\$ -	\$ 5,123,790
Capital projects fund		
TID No. 1 Industrial Park	-	453,438
TID No. 2 Waterfront District	-	1,126,504
Capital improvements	-	484,940
Solid waste enterprise fund	-	150,000
Postponed special assessment installments		
General fund	853,960	-
Development loans receivable		
Special revenue fund		
Revolving loan	300,850	-
Totals	<u>\$ 1,154,810</u>	<u>\$ 7,338,672</u>

Postponed special assessments are generally collectible on annual installments from one to six years while certain others have been deferred up to twelve years or until the property is sold or placed in service.

The development loans receivable of \$300,850 represents various loans to local industries that were originally financed from economic development grants received by the City from the Wisconsin Department of Development or from City appropriations. Repayment of principal and interest on the loans is recorded as revenue in the revolving loan program special revenue fund and is used to finance additional development loans.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2011:

	Outstanding 1/1/11	Issued	Retired	Outstanding 12/31/11	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	\$ 10,520,000	\$ 1,985,000	\$ 470,000	\$ 12,035,000	\$ 575,000
Notes	1,294,181	678,397	256,894	1,715,684	306,700
Total General Obligation Debt	11,814,181	2,663,397	726,894	13,750,684	881,700
Leases	15,350,000	-	1,205,000	14,145,000	1,245,000
Compensated absences	773,421	-	34,543	738,878	-
Post-employment benefits	126,187	93,445	13,000	206,632	-
Governmental activities Long-term obligations	<u>\$ 28,063,789</u>	<u>\$ 2,756,842</u>	<u>\$ 1,979,437</u>	<u>\$ 28,841,194</u>	<u>\$ 2,126,700</u>
Business-type activities:					
Compensated absences	<u>\$ 238,834</u>	<u>\$ 77,804</u>	<u>\$ -</u>	<u>\$ 316,638</u>	<u>\$ -</u>

Total interest paid during the year on long-term debt totaled \$1,117,933.

General Obligation Debt

General obligation debt outstanding is detailed as follows:

General Obligation Bonds - Governmental Funds

\$1,260,000 issued 4/1/02; \$60,000 to \$105,000 due annually through 2021; interest 3.625% to 4.9%	\$ 795,000
\$575,000 issued 6/1/05; \$575,000 due in 2018; interest 3.95%	575,000
\$2,620,000 issued 6/1/05; \$50,000 to \$300,000 due 2009 through 2021; interest 3.5% to 4.1%	2,370,000
\$1,690,000 issued 9/15/09; \$1,690,000 balloon payment due 2014; interest 3.25%	1,690,000
\$2,695,000 issued 6/1/05; \$100,000 to \$200,000 due annually through 2025; interest 3.25% to 4.3%	2,125,000
\$3,220,000 issued 6/1/06; \$175,000 to \$295,000 due annually through 2021; interest 3.25% to 4.0%	2,495,000
\$1,985,000 issued 9/1/11; \$980,000 and \$1,005,000 due 2021 and 2022, respectively; interest 2.35% to 2.55%	<u>1,985,000</u>
Total General Obligation Bonds	<u>12,035,000</u>

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Notes - Governmental Funds

\$97,500 issued 2/20/08; \$26,266 due in 2012; interest 5.00%	\$ 26,266
\$417,132 issued 11/14/05; \$14,523 to \$33,401 due annually through 2025; interest 5%	347,059
\$31,563 issued 1/31/06; \$1,087 to \$2,502 due annually through 2026; interest 5%	25,998
\$158,476 issued 5/11/06; \$4,978 to \$12,024 due annually through 2026; interest 5%	131,014
\$75,383 issued 9/21/06; \$795 to \$6,078 due annually through 2026; interest 5%	66,225
\$100,000 issued 9/7/07; \$27,521 due in 2012; interest 5.00%	27,521
\$71,300 issued 9/7/07; \$19,623 due in 2012; interest 5.00%	19,623
\$13,575 issued 4/16/09; \$2,564 to \$2,896 due annually through 2014; interest 3.50%	8,398
\$44,953 issued 6/26/09; \$8,732 to \$9,528 due annually through 2014; interest 3.50%	27,627
\$23,827 issued 6/26/09; \$4,629 to \$5,050 due annually through 2014; interest 3.50%	14,643
\$12,996 issued 6/26/09; \$2,525 to \$2,755 due annually through 2014; interest 3.50%	7,987
\$4,253 issued 9/8/09; \$953 to \$1,138 due annually through 2014; interest 3.50%	3,300
\$119,145 issued 9/8/09; \$26,687 to \$31,889 due annually through 2014; interest 3.50%	92,458
\$46,750 issued 1/8/10; \$10,874 to \$12,373 due annually through 2014; interest 3.50%	35,876
\$13,070 issued 1/8/10; \$3,040 to \$3,459 due annually through 2014; interest 3.50%	10,030
\$26,216 issued 1/8/10; \$6,098 to \$6,939 due annually through 2014; interest 3.50%	20,118
\$43,978 issued 2/11/10; \$3,921 to \$5,812 due annually through 2019; interest 4.50%	40,056
\$11,402 issued 2/11/10; \$2,680 to \$3,008 due annually through 2014; interest 3.50%	8,722
\$12,000 issued 1/26/10; \$2,807 to \$3,171 due annually through 2014; interest 3.50%	9,193
\$13,783 issued 2/11/10; \$3,239 to \$3,636 due annually through 2014; interest 3.50%	10,543
\$6,000 issued 1/26/10; \$1,403 to \$1,585 due annually through 2014; interest 3.50%	4,597
\$77,770 issued 2/11/10; \$18,277 to \$20,519 due annually through 2014; interest 3.50%	59,493
\$30,000 issued 8/24/10; \$2,500 to \$3,559 due annually through 2020; interest 4.50%	23,463
\$9,647 issued 7/20/10; \$3,176 to \$3,288 due annually through 2013; interest 3.50%	6,464
\$2,484 issued 7/20/10; \$818 to \$847 due annually through 2013; interest 3.50%	1,665
\$1,600 issued 7/20/10; \$527 to \$545 due annually through 2013; interest 3.50%	1,072
\$2,990 issued 8/24/10; \$981 to \$1,016 due annually through 2013; interest 3.50%	1,997
\$1,816 issued 7/20/10; \$598 to \$619 due annually through 2013; interest 3.50%	1,217
\$22,000 issued 8/24/10; \$7,307 to \$7,474 due annually through 2013; interest 3.50%	4,662
\$107,842 issued 8/19/11; \$20,588 to \$22,659 due annually through 2016; interest 3.25%	107,842
\$52,000 issued 8/19/11; \$9,927 to \$10,925 due annually through 2016; interest 3.25%	52,000
\$5,000 issued 8/19/11; \$955 to \$1,051 due annually through 2016; interest 3.25%	5,000
\$5,970 issued 8/19/11; \$1,140 to \$1,254 due annually through 2016; interest 3.25%	5,970
\$22,197 issued 8/19/11; \$4,238 to \$4,664 due annually through 2016; interest 3.25%	22,197
\$4,450 issued 8/19/11; \$383 to \$514 due annually through 2021; interest 3.75%	4,450
\$980 issued 8/19/11; \$84 to \$113 due annually through 2021; interest 3.75%	980
\$1,541 issued 8/19/11; \$133 to \$178 due annually through 2021; interest 3.75%	1,541
\$625 issued 8/19/11; \$54 to \$72 due annually through 2021; interest 3.75%	625
\$7,395 issued 8/19/11; \$637 to \$855 due annually through 2021; interest 3.75%	7,395
\$12,898 issued 8/19/11; \$1,110 to \$1,490 due annually through 2021; interest 3.75%	12,898
\$4,495 issued 8/19/11; \$386 to \$519 due annually through 2021; interest 3.75%	4,495
\$5,970 issued 8/19/11; \$514 to \$690 due annually through 2021; interest 3.75%	5,970
\$19,000 issued 11/2/11; \$1,900 due annually through 2020; interest 3.6%	19,000
\$26,820 issued 11/2/11; \$2,682 due annually through 2020; interest 3.6%	26,820
\$164,214 issued 11/2/11; \$16,421 due annually through 2020; interest 3.6%	164,214
\$75,000 issued 11/2/11; \$7,500 due annually through 2020; interest 3.6%	75,000
\$162,000 issued 11/2/11; \$16,200 due annually through 2020; interest 3.6%	162,000
	<hr/>
Total General Obligation Notes Payable	1,715,684
	<hr/>
Total General Obligation Debt	<u>\$ 13,750,684</u>

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$13,750,684 on December 31, 2011 are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2012	\$ 881,700	\$ 520,041	\$ 1,401,741
2013	847,300	484,287	1,331,587
2014	2,557,800	451,420	3,009,220
2015	808,000	362,375	1,170,375
2016	826,400	330,077	1,156,477
2017-2021	5,873,500	1,072,906	6,946,406
2022-2026	1,955,984	131,729	2,087,713
	<u>\$ 13,750,684</u>	<u>\$ 3,352,835</u>	<u>\$ 17,103,519</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2011 was \$27,422,331 as follows:

Equalized valuation of the County	\$ 823,460,300
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	41,173,015
Total outstanding general obligation debt applicable to debt limitation	<u>(13,750,684)</u>
Legal Margin for New Debt	<u>\$ 27,422,331</u>

Leases

Annual principal and interest maturities of the outstanding leases of \$14,145,000 December 31, 2011 are shown below:

Due	Governmental Activities		
	Principal	Interest	Total
2012	\$ 1,245,000	\$ 595,123	\$ 1,840,123
2013	1,300,000	547,813	1,847,813
2014	1,350,000	497,113	1,847,113
2015	1,405,000	443,113	1,848,113
2016	1,465,000	385,508	1,850,508
2017-2021	7,380,000	928,830	8,308,830
	<u>\$ 14,145,000</u>	<u>\$ 3,397,500</u>	<u>\$ 17,542,500</u>

The above leases require TID No. 2, Waterfront District to make annual payments equal to the principal and interest payments on the debt incurred to finance plan projects.

8. Conduit Debt Obligations

The City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE D - OTHER INFORMATION

1. Retirement Commitments

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees hired before July 1, 2011 and expected to work over 600 hours a year (440 hours for teachers and educational support employees) or hired on or after July 1, 2011 and expected to work over 1200 hours a year (880 hours for teachers and educational support employees) are eligible to participate in the WRS. Covered employees in the General/Teacher/ Educational Support Personnel category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the WRS for the year ended December 31, 2011 was \$5,204,364; the employer's total payroll was \$5,253,771. The total required contribution for the year ended December 31, 2011 was \$727,966, which consisted of \$442,134 or 8.50% of payroll from the employer and \$285,832 or 5.49% of payroll from employees. Of the \$285,832 required contributions for employees for the year ended December 31, 2011, \$252,293 was financed by the City and \$33,539 was financed by the employees. Total contributions for the years ending December 31, 2010 and 2009 were \$668,848 and \$622,485, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 or after April 24, 1998 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

2. Other Post Employment Benefits

Plan Description

The City provides health care insurance coverage for employees who retire until they reach the age of 65. The retired employee contributes 100% of the premium for family coverage or 100% of the premium for single coverage. There are 68 active and 4 retired employees in the plan.

CITY OF STURGEON BAY, WISCONSIN

Notes to Basic Financial Statements

December 31, 2011

NOTE D - OTHER INFORMATION (Continued)

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 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 changes in the City's net OPEB obligation.

Component	Amount
Annual required contribution	\$ 93,445
Interest on net OPEB	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	93,445
Contributions made	<u>(13,000)</u>
Change in net OPEB obligation	80,445
OPEB obligation - beginning of year	126,187
OPEB obligation - end of year	<u>\$ 206,632</u>

The annual required contribution for the current year was determined as part of the January 1, 2011 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 4.0% discount rate.

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll. The remaining amortization period at December 31, 2010 is 30 years, and the remaining amount is \$678,096. The City intends to reduce or eliminate the calculated liability through benefit modifications.

Trend Information

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/11	\$ 93,445	13.91%	\$ 206,632

Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was \$678,096. The annual payroll for active employees covered by the plan for the 2011 fiscal year was \$5,253,771 for a ratio of the UAAL to covered payroll of 13%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE D - OTHER INFORMATION (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect 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 January 1, 2011 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 4.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 9.3%, reduced by decrements to an ultimate rate of 4.7% after seventy years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2011 was 30 years.

3. The Wisconsin Public Power Incorporated System (WPPI)

The Sturgeon Bay Utilities (the "Utilities") purchases all of its electric requirements from the Wisconsin Public Power Incorporated System (WPPI). WPPI is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act Sec. 66.073 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical and reliable supply of electric energy to its members.

The Utilities is one of 51 members of WPPI located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each of WPPI's members, including the Utilities, commenced purchasing electric service from WPPI under a Long-term Power Supply Contract for Participating Members (the Long-term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial thirty-five (35) year term. In 2002, all WPPI members ratified a thirteen year extension to their contracts. The current contract expires December 31, 2037.

Under the Long-term Contract, the Utilities and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirement which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its Board of Directors, which consists of representatives from each member municipality. The Utilities have agreed to charge rates to the retail ratepayers sufficient to meet its obligations to WPPI. The Long-term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the Utilities payable from any operating and maintenance fund established by the Utilities for that system.

The long-term Contract may be terminated by either party upon five years prior written notice effective at the end of the initial thirty-five year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

The electric operation purchases power through Wisconsin Public Power, Inc. System for distribution to its customers. Total purchases under this arrangement amounted to approximately \$11.45 million in 2011.

4. Risk Management

The City has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenditures or expenses in various funds of the City. There have been no settlements in excess of coverage in any of the past three years and there have been no significant reductions in coverage from the prior year.

CITY OF STURGEON BAY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2011

NOTE D - OTHER INFORMATION (Continued)

5. Tax Incremental Districts

The City has established separate capital projects funds for three Tax Incremental Districts (TID) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Except for certain exceptions under Section 66.1105(6)(am)(1), the Statutes allow 15 or 22 years after its creation date for a tax incremental district to incur project costs eligible for financing from tax increments. The City's three Districts were created on January 1, 1991, January 1, 1994, and January 1, 2008, respectively.

Since creation of the above Districts, the City has provided various financing sources to each TID. Detail of the amounts recoverable by the City as of December 31, 2011 from future excess tax increment revenues follows:

	Total	TID No. 1	TID No. 2	TID No. 3
Net (Excess) Unreimbursed Project Costs	\$ 21,223,443	\$ (137,394)	\$ 19,986,483	\$ 1,374,354

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 1	2018
TID No. 2	2021
TID No. 3	2034

6. Contingencies

- a. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.
- b. From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

7. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2011 budget year, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the City's January 1 equalized value as a result of net new construction or 3.0% per year. The actual limit for the City for the 2011 budget was 3.0%. For the 2012 budget year, Wisconsin statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2012 budget was .72%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF STURGEON BAY, WISCONSIN
 Schedule of Funding Progress
 Other Post-employment Benefit Plan
 December 31, 2011

Actuarial Valuation Date January 1,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Unit Credit	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ -	\$ 673,263	0.0%	\$ 673,263	N/A	N/A
2011	-	678,096	0.0%	678,096	N/A	N/A

The City implemented GASB Statement No. 45 for the calendar year ended January 1, 2011 with retroactive adjustment for prior years.

CITY OF STURGEON BAY, WISCONSIN
 Schedule of Employer Contributions
 Other Post-employment Benefit Plan
 December 31, 2011

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 16,700	\$ 82,386	20.2%
2010	25,800	86,301	29.8%
2011	13,000	93,445	13.9%

The District implemented GASB Statement No. 45 for the calendar year ended December 31, 2011 with retroactive adjustment for prior years.

SUPPLEMENTAL INFORMATION

CITY OF STURGEON BAY, WISCONSIN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2011

	Revolving Loan	Tourism	Cable TV	TID No. 1 Industrial Park	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 566,042	\$ 43,277	\$ 218,380	\$ 137,394	\$ 965,093
Receivables					
Taxes	-	-	-	453,438	453,438
Loans	300,850	-	-	-	300,850
TOTAL ASSETS	<u>\$ 866,892</u>	<u>\$ 43,277</u>	<u>\$ 218,380</u>	<u>\$ 590,832</u>	<u>\$ 1,719,381</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds	\$ 10,933	\$ 957	\$ -	\$ -	\$ 11,890
Deferred revenues	300,850	-	-	453,438	754,288
Total Liabilities	<u>311,783</u>	<u>957</u>	<u>-</u>	<u>453,438</u>	<u>766,178</u>
Fund Balances					
Restricted	555,109	-	-	137,394	692,503
Assigned	-	42,320	218,380	-	260,700
Total Fund Balances	<u>555,109</u>	<u>42,320</u>	<u>218,380</u>	<u>137,394</u>	<u>953,203</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 866,892</u>	<u>\$ 43,277</u>	<u>\$ 218,380</u>	<u>\$ 590,832</u>	<u>\$ 1,719,381</u>

CITY OF STURGEON BAY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Revolving Loan	Tourism	Cable TV	TID No. 1 Industrial Park	Total Nonmajor Governmental Funds
Revenues					
Taxes					
General property taxes	\$ -	\$ -	\$ -	\$ 384,801	\$ 384,801
Intergovernmental	-	-	-	8,479	8,479
Licenses and permits	-	-	113,797	-	113,797
Interest	18,099	54	-	508	18,661
Miscellaneous	389,902	-	1,543	-	391,445
Total Revenues	408,001	54	115,340	393,788	917,183
Expenditures					
Current					
Development	-	74,956	64,143	-	139,099
Capital outlay	-	-	29,793	-	29,793
Total Expenditures	-	74,956	93,936	-	168,892
Excess of Revenues Over (Under)					
Expenditures	408,001	(74,902)	21,404	393,788	748,291
Other Financing Sources (Uses)					
Transfers in	-	72,500	-	-	72,500
Transfers out	(10,933)	-	(149,500)	(384,801)	(545,234)
Total Other Financing Sources (Uses)	(10,933)	72,500	(149,500)	(384,801)	(472,734)
Net Change in Fund Balances	397,068	(2,402)	(128,096)	8,987	275,557
Fund Balances - January 1	158,041	44,722	346,476	128,407	677,646
Fund Balances - December 31	\$ 555,109	\$ 42,320	\$ 218,380	\$ 137,394	\$ 953,203

CITY OF STURGEON BAY, WISCONSIN
 General Fund
 Detailed Comparison of Revenues
 Budget and Actual
 For the Year Ended December 31, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes				
General property	\$ 4,400,212	\$ 4,400,212	\$ 4,400,212	\$ -
Retained sales tax	120	120	120	-
Payment in lieu of taxes				
Housing authority	19,490	19,490	19,488	(2)
Mobile home	64,745	64,745	62,759	(1,986)
Interest on taxes	800	800	1,388	588
Room taxes	100,000	100,000	140,070	40,070
Total Taxes	<u>4,585,367</u>	<u>4,585,367</u>	<u>4,624,037</u>	<u>38,670</u>
Special Assessments				
Street department	1,035	1,035	-	(1,035)
Intergovernmental				
Federal				
Law enforcement	226,799	226,799	258,710	31,911
State				
State shared taxes	1,035,685	1,035,685	1,039,782	4,097
State highway aid	520,995	520,995	520,942	(53)
Law enforcement	18,001	18,001	20,534	2,533
Fire insurance dues	25,000	25,000	27,052	2,052
Municipal services	6,555	6,555	6,316	(239)
Computer aid	19,000	19,000	23,393	4,393
DNR - aids in lieu of taxes	1,555	1,555	1,759	204
DNR - marine patrol	7,100	7,100	8,088	988
Park grants	15,000	15,000	-	(15,000)
Local				
DNR - recycling rebate	40,000	40,000	38,937	(1,063)
Miscellaneous	-	-	404	404
Total Intergovernmental	<u>1,915,690</u>	<u>1,915,690</u>	<u>1,945,917</u>	<u>30,227</u>
Licenses and Permits				
State seal	350	350	315	(35)
Liquor and malt beverages	27,500	27,500	29,668	2,168
Cigarette licenses	2,000	2,000	2,000	-
Bicycle licenses	35	35	32	(3)
Animal licenses	470	470	557	87
Operator's licenses	3,000	3,000	3,975	975
Sundry licenses and permits	3,800	3,800	1,505	(2,295)
Building permits	40,125	40,125	37,376	(2,749)
Plumbing and electrical permits and licenses	24,900	24,900	26,278	1,378
Sign permits	4,000	4,000	4,020	20
Miscellaneous fees and permits	18,995	18,995	21,463	2,468
Total Licenses and Permits	<u>125,175</u>	<u>125,175</u>	<u>127,189</u>	<u>2,014</u>

(Continued)

CITY OF STURGEON BAY, WISCONSIN
 General Fund
 Detailed Comparison of Revenues
 Budget and Actual (Continued)
 For the Year Ended December 31, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fines and Forfeits				
Court fines and penalties	65,000	65,000	61,415	(3,585)
Public Charges for Services				
Special assessment letter fee	1,500	1,500	2,520	1,020
Recreation	112,140	112,140	112,200	60
Mooring fees	9,700	9,700	9,835	135
Sanitation services	4,400	4,400	11,413	7,013
Weights and measures	6,000	6,000	6,017	17
Street department	2,500	2,500	24,026	21,526
Weed control	20,000	20,000	14,051	(5,949)
Total Public Charges for Services	156,240	156,240	180,062	23,822
Intergovernmental Charges for Services				
Fire department fees	468,815	468,815	465,689	(3,126)
Commercial				
Rent from commercial property	47,770	47,770	47,998	228
Miscellaneous				
Interest	25,000	25,000	18,433	(6,567)
Interest on special assessments	200	200	2,803	2,603
Insurance dividends	-	-	16,956	16,956
Private grants	-	-	26,767	26,767
Miscellaneous	67,660	67,660	139,654	71,994
Total Miscellaneous	92,860	92,860	204,613	111,753
Total Revenues	\$ 7,457,952	\$ 7,457,952	\$ 7,656,920	\$ 198,968

CITY OF STURGEON BAY, WISCONSIN
 General Fund
 Detailed Comparison of Expenditures
 Budget and Actual
 For the Year Ended December 31, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government				
City council	\$ 60,435	\$ 60,435	\$ 57,694	\$ 2,741
Board of review	2,465	2,465	754	1,711
Mayor	12,115	12,115	12,283	(168)
City administrator	217,855	217,855	211,141	6,714
Clerk-treasurer	324,080	324,080	307,954	16,126
Municipal services administration	205,165	205,165	188,511	16,654
Elections	14,015	14,015	10,579	3,436
Telephone	10,000	10,000	7,391	2,609
Postage	9,000	9,000	9,102	(102)
Assessment of property	96,605	96,605	108,683	(12,078)
Audit	14,800	14,800	14,240	560
Legal	55,000	55,000	51,032	3,968
Special counsel	20,000	20,000	22,003	(2,003)
City hall	168,175	168,175	143,454	24,721
Property and liability insurance	278,460	278,460	238,799	39,661
Unemployment compensation	3,000	3,000	9,079	(6,079)
Life insurance	8,600	8,600	9,956	(1,356)
Family assistance program	2,000	2,000	2,190	(190)
Publication	10,500	10,500	8,140	2,360
Computer	54,550	54,550	52,489	2,061
Contingency	761,234	761,234	-	761,234
Maintenance of commercial property	9,400	9,400	7,322	2,078
Miscellaneous consultants	6,000	6,000	6,000	-
Miscellaneous	115,775	115,775	10,230	105,545
Total General Government	2,459,229	2,459,229	1,489,026	970,203
Public Safety				
Police department	2,361,585	2,361,585	2,257,768	103,817
Police department uniform allowance	1,000	1,000	1,004	(4)
Building inspector	69,040	69,040	71,309	(2,269)
Fire department	1,436,960	1,436,960	1,463,790	(26,830)
Fire department uniform allowance	7,650	7,650	9,878	(2,228)
Hydrant rental	215,000	215,000	214,225	775
Total Public Safety	4,091,235	4,091,235	4,017,974	73,261

(Continued)

CITY OF STURGEON BAY, WISCONSIN
 General Fund
 Detailed Comparison of Expenditures (Continued)
 Budget and Actual
 For the Year Ended December 31, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Transportation				
Public works administration	212,120	212,120	203,979	8,141
Street machinery	97,880	97,880	86,888	10,992
Garage	66,455	66,455	52,573	13,882
Gas and oil	79,000	79,000	79,291	(291)
Storm sewer	50,315	50,315	37,804	12,511
Curb and gutter	13,695	13,695	8,804	4,891
Roadway of streets	211,695	211,695	227,473	(15,778)
Street sweeping	35,920	35,920	27,709	8,211
Snow and ice removal	211,755	211,755	174,715	37,040
Street lighting	210,885	210,885	195,853	15,032
Street signs and markings	57,570	57,570	52,697	4,873
Highways	298,530	298,530	302,066	(3,536)
Sanitation				
Garbage and refuse collection	75,900	75,900	85,420	(9,520)
Solid waste site	32,375	32,375	25,360	7,015
Weed control	6,820	6,820	5,366	1,454
Total Public Works	1,660,915	1,660,915	1,565,998	94,917
Culture and Recreation				
Library	76,290	76,290	72,465	3,825
Celebration and entertainment	36,655	36,655	36,845	(190)
Recreation	133,995	133,995	136,374	(2,379)
Municipal dock	44,300	44,300	35,312	8,988
Parks and playground	405,265	405,265	381,565	23,700
Ball fields	30,120	30,120	21,544	8,576
Ice rinks	9,995	9,995	8,284	1,711
Beaches	3,275	3,275	1,012	2,263
Water weed cutting	97,120	97,120	82,253	14,867
Total Culture and Recreation	837,015	837,015	775,654	61,361
Development				
Community development	223,910	223,910	214,397	9,513
Waterfront parks and walkways	53,885	53,885	40,729	13,156
Development zone administration	20,855	20,855	20,855	-
Total Development	298,650	298,650	275,981	22,669
Debt Service				
Principal retirement	483,747	483,747	400,046	83,701
Interest and fiscal charges	190,513	190,513	160,067	30,446
Total Debt Service	674,260	674,260	560,113	114,147
Total Expenditures	\$ 10,021,304	\$ 10,021,304	\$ 8,684,746	\$ 1,336,558

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



Schenck

CPAs AND SO MUCH MORE.

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

To the City of Sturgeon Bay
Sturgeon Bay, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sturgeon Bay, Wisconsin, as of and for the year ended December 31, 2011, which collectively comprise the City of Sturgeon Bay's basic financial statements and have issued our report thereon dated April 11, 2012. 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 the City of Sturgeon Bay, Wisconsin is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Sturgeon Bay, Wisconsin'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 Sturgeon Bay, Wisconsin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Sturgeon Bay, Wisconsin'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 a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as Item 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance



Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Sturgeon Bay, Wisconsin in a separate letter dated April 11, 2012.

The City of Sturgeon Bay, Wisconsin's response to the finding identified in our audit is described in the accompanying schedule of prior audit findings and corrective action plan. We did not audit City of Sturgeon Bay, Wisconsin's response and, accordingly, we express no opinion on it.

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



Certified Public Accountants
Green Bay, Wisconsin
April 11, 2012

CITY OF STURGEON BAY, WISCONSIN
 Schedule of Findings and Responses
 Year Ended December 31, 2011

Section I – Internal Control Over Financial Reporting (Continued)

Finding No.	Control Deficiencies
-------------	----------------------

2011-01 Year End Closing and Financial Reporting

Condition: While the current staff of the City maintain financial records which accurately report revenues and expenditures throughout the year, preparing year end adjusting, closing and GASB 34 conversion entries necessary to prepare financial statements, including related notes and state financial reports require additional expertise that would entail additional training and staff time to develop. The City contracts with Schenck and their knowledge of current accounting principles and regulatory requirements of the Wisconsin Department of Revenue and the Public Service Commission of Wisconsin to prepare required journal entries and financial reports for the City in an efficient manner.

Criteria: The review of financial statements by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential misstatement in the financial statements or notes.

Cause: The additional costs associated with hiring staff experienced in preparing year end adjusting, closing, and GASB 34 conversion entries and financial reports, including additional training time outweigh the derived benefits.

Effect: The financial statements of the City could be misstated and not detected and corrected in a timely manner without our review and proposed adjusting and closing entries.

Recommendation: We recommend the City continue reviewing the adjusting, closing and GASB 34 conversion entries along with the financial reports prepared by Schenck. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the City is necessary to obtain an adequate understanding of the City's financial report.

Management Response: We will continue to approve proposed adjustments and resulting annual financial reports prior to issuance. We will continue to review the financial reports prepared by Schenck.

Section II - Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2011.

RECOMMENDATION

TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the Community Protection and Services Committee, hereby recommend to transfer funds from Equipment-School account #21-000-007-59070 to Equipment account #21-000-000-59070 in the amount of \$6,500.00 to complete the Council Chamber audio/video upgrade.

Respectfully submitted,
COMMUNITY PROTECTION AND SERVICES COMMITTEE
By: Stewart Fett, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: May 10, 2012.

Introduced by _____.

Moved by Alderperson _____, seconded by

Alderperson _____ that said recommendation be adopted.

Passed by the Council on the _____ day of _____, 2012.

Request of Funds Transfer
Sturgeon Bay Public Access
Mann Communication LLC
01 May 2012

To:

Cable Advisory Board

Community Protection & Services Committee

Common Council

We are requesting the following funds transfer to complete the council chamber audio/video upgrade.

\$6,500

From account 21-000-000-007-59070 Equipment School

To

21-000-000-000-59070 Equipment.

The current budget still has separation for the Sturgeon Bay's Schools public access station even though all channels are currently being run from one location by one operator.

No new major equipment needs to be purchased for the operation of the Schools PEG channel.

The funds transfer would allow the completion of phase 4 which included labor, and miscellaneous small parts that were needed to complete the install.

Thank you,

Jason Mann

Mann Communication LLC

Sturgeon Bay Public Access Operator

- (b) *Hearing.* The finance/purchasing and building committee shall submit to the council at the time the annual budget is submitted the draft of an appropriation ordinance providing for the expenditures proposed for the ensuing fiscal year. Upon the submission of the proposed appropriation ordinance to the council, it shall be deemed to have been regularly introduced therein. The council shall hold a public hearing on the budget and the proposed appropriation ordinance as required by law. Following the public hearing, the proposed appropriation ordinance may be changed or amended and shall take the same course in the council as other ordinances.

(Code 1992, § 3.05)

3.055 Appropriations.

An "appropriation" is defined as the dedication of money to a specified account for a public purpose at the time of approving the annual budget, or in the course of increasing a specified account over the budgeted amount after the annual budget is approved which results in a net increase in the total annual budget over the original budget authorization. A proposed nonbudgeted appropriation of money for any purpose not specifically identified and contemplated in the annual budget must be approved by an affirmative vote of three-fourths of the entire membership of the common council. All appropriations of funds from contingency or undesignated budgetary accounts shall be treated as transfers of funds.

(Ord. No. 1044-0600, § 2, 6-20-00)

3.06 Transfer of funds.

A "transfer of funds" is defined as a reallocation of funding within the annual budget between specific budgetary accounts which does not result in a net increase in the total annual budget over the original budget authorization. A transfer of funds within an individual department budget up to \$2,500.00 may be authorized by the city administrator. Any transfer of funds greater than \$2,500.00 up to \$7,500.00, or transfers between department budgets up to \$7,500.00 may be authorized by a simple majority of the common council at any time. Any transfer of funds greater than \$7,500.00 must be authorized by an affirmative vote of three-fourths of the entire membership of the common council.

(Code 1992, § 3.06; Ord. No. 1044-0600, § 3, 6-20-00; Ord. No. 1251-0410, § 1, 4-6-10)

3.07 City funds to be spent in accordance with appropriation.

No money shall be drawn from the treasury of the city, nor shall any obligation for the expenditure of money be incurred, except in pursuance of the annual appropriation in the adopted budget or when changed as authorized by section 3.06 of this chapter. At the close of each fiscal year any unencumbered balance of an appropriation shall revert to the general fund and shall be subject to reappropriation, but appropriations may be made by the council, to be paid out of the income of the current year, in furtherance of improvements or other objects or works which will not be completed within such year, and any such appropriations shall continue in force until the purpose for which the appropriation was made shall have been accomplished or abandoned.

(Code 1992, § 3.07)

RECOMMENDATION

TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the City Plan Commission hereby recommend approval of shoreline improvements for John and Cathy Wiese, 1358 Memorial Drive.

Respectfully submitted:
CITY PLAN COMMISSION
By Dan Wiegand, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Date: May 16, 2012

Introduced by _____.

Moved by Alderperson _____, seconded by Alderperson _____ that said recommendation be adopted.

Passed by the Council on the _____ day of _____, 2012.

EXECUTIVE SUMMARY

Title: Placing fill material – 1358 Memorial Drive

Background: Under s. 20.33 of the zoning code, the area between Memorial Drive and the bay has restrictions. One of these restrictions is that any filling must be approved by the Council upon recommendation of the Plan Commission. John & Cathy Wiese desire to modify the shoreline area at 1358 Memorial Drive. The proposal is to erect a 23-ft long by 3-ft wide limestone wall along the slope of the bank and backfill behind the new wall. The limestone blocks would create a stepped look to the shore. A plan prepared by BayLake Landscaping has been submitted.

Bob Bordeau (Harbor Master & Parks Director), who is responsible for maintenance of the Memorial Drive easement, reviewed the plans. The proposal will not impact the ease of maintenance of the area by the City. It would have little aesthetic impact as viewed from the road.

The proposal also requires approval from the Wisconsin DNR and possibly Army Corps of Engineers.

Fiscal Impact: None.

Plan Commission Action: The Plan Commission unanimously recommends approval of the proposal.

Recommendation: Approve the proposed filling and shoreline improvements.

Prepared by:  5-30-12
Martin Olejniczak Date
Community Development Director

Reviewed by:  5/30/12
Bob Bordeau Date
Park & Rec Superintendent & Harbor Master

Reviewed by:  5/30/12
Steve McNeil Date
City Administrator

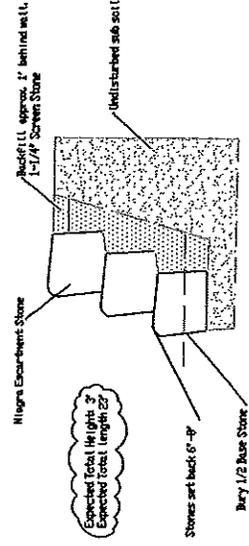
Memorial Drive

LAWN

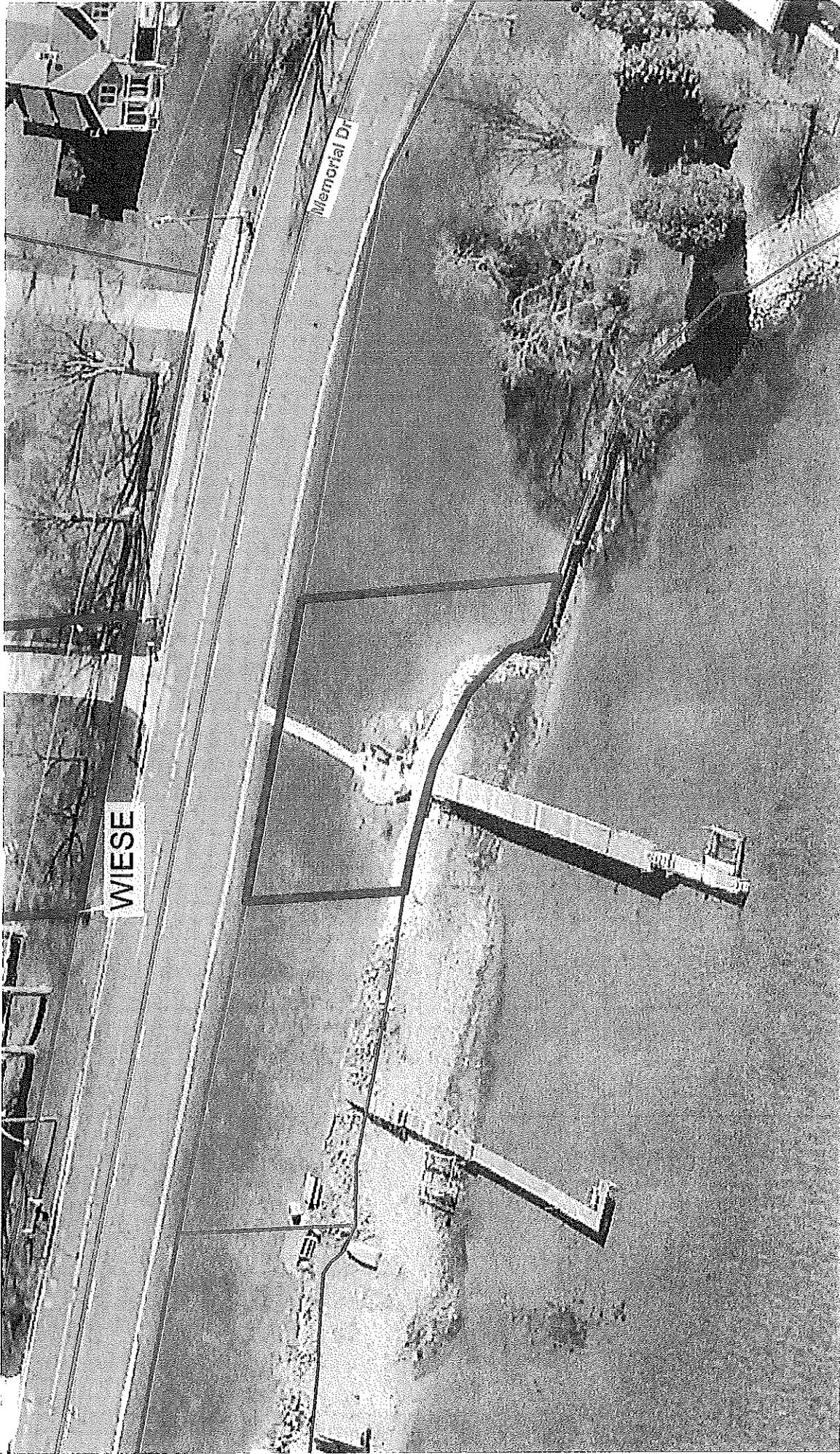
23' L x 3' H Niagra Escarpment Wall

Dock

Sturgeon Bay Canal



John and Cathy Wiese	Date:	Revisions:	North
1358 Memorial Drive	04/25/2012		↑
Sturgeon Bay, WI 54235	Scale		
THOMAS R. P. DRING	1" = 10'		





7m.

RECOMMENDATION

7m.

TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the Parking and Traffic Committee, hereby recommend to remove the stop signs on Joliet Avenue at Juniper Street.

PARKING & TRAFFIC COMMITTEE

By: Robert Schlicht, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: May 21, 2012

* * * * *

Introduced by _____

Moved by Alderperson _____, second by Alderperson _____
that said recommendation be adopted.

Passed by the Council on the _____ day of _____, 2012.

PUBLIC HEARING NOTICE

The City of Sturgeon Bay Common Council will conduct a public hearing in the Council Chambers, 421 Michigan Street, Sturgeon Bay, Wisconsin, on Tuesday, June 5, 2012, at 8:00 p.m. or shortly thereafter, for an amendment to the zoning code regarding the proposed Wellhead Protection Ordinance. The amendment involves requirements and restrictions for uses and activities within the zones of contribution of the municipal wells. The intent is to protect the municipal water supply from potential contamination. A copy of the proposed ordinance is on file with the Community Development Department, 421 Michigan Street, and can be viewed weekdays between 8:00 a.m. and 4:30 p.m. The public is invited to attend the meeting and give testimony in favor or against the adoption of the proposed ordinance, either in person at the hearing or in writing (must be received by 4:00 p.m., June 5, 2012).

By order of:
City of Sturgeon Bay Common Council

PUBLIC HEARING NOTICE

The City of Sturgeon Bay Common Council will conduct a public hearing in the Council Chambers, 421 Michigan Street, Sturgeon Bay, Wisconsin, on Tuesday, June 5, 2012, at 8:00 p.m. or shortly thereafter, regarding an amendment to s.20.15(1)(b) of the municipal code (zoning code). The proposed amendment relates to residential use within a mixed-use building or parcel in the Central Business (C-2) zoning district. The proposal is to allow up to 50% of the combined floor area of all principal buildings on the lot to be used for residential purposes. A copy of the proposed amendment is on file with the Community Development Department, 421 Michigan Street, and can be viewed weekdays between 8:00 a.m. and 4:30 p.m. The public is invited to attend the meeting and give testimony in favor or against the adoption of the proposed amendment, either in person at the hearing or in writing (must be received by 4:00 p.m., June 5, 2012).

By order of:
City of Sturgeon Bay Common Council

ORDINANCE NO. _____

THE COMMON COUNCIL OF THE CITY OF STURGEON BAY, WISCONSIN DO ORDAIN AS FOLLOWS:

SECTION 1: Section 20.42 of the Municipal Code (zoning code) of the City of Sturgeon Bay, Wisconsin is hereby created as follows:

20.42 Wellhead Protection Requirements

(1) *Purpose and Authority.* The residents and businesses of Sturgeon Bay depend exclusively on groundwater for a safe and reliable potable water supply. Certain land use practices and activities can seriously threaten or degrade groundwater quality. The purpose of this Wellhead Protection Ordinance is to provide land use regulations and restrictions to protect the municipal water supply from potential sources of contamination. Statutory authority of the city to enact these regulations is established in the Wisconsin Legislature in ss.63.23 (7) (a) and (c), Wis. Stats. Under these statutes, the city has the authority to enact this ordinance, effective in the wellhead zones of contribution identified in paragraph (4), below.

(2) *Intent.* It is the intent of this section is to provide a method to protect the city's drinking water supply from potential impacts by facilities that store, handle, treat, use or produce substances that pose a hazard to Groundwater quality.

(3) *Administration.* Except as otherwise provided herein, the Sturgeon Bay Utilities Commission shall administer, implement and enforce the provisions of this section. Any powers granted to or duties imposed upon the Sturgeon Bay Utilities Commission may be delegated by the Commission to other Utility personnel.

(4) *Applicability.*

(a) The regulations of this section shall apply to the lands that lie both within the Zones of Contribution to the Sturgeon Bay municipal wells and also within the City of Sturgeon Bay corporate limits as depicted in Exhibit 1.

(b) *Exemptions.* The following are exempt from the requirements of this section.

1. The storage and handling of Regulated Substances for resale in their original unopened individual containers of five (5) gallons or forty (40) pounds or less.

2. Minimal Usage of Regulated Substances: Facilities that use, store, or handle Regulated Substances in quantities of five (5) gallons or forty (40) pounds or less of any one regulated substance, and in aggregate quantities of twenty (20) gallons or one hundred (160) pounds or less of all Regulated Substances.

3. Single family residences provided that no home business is operated on the premises.

4. Public interest emergency use and storage of Regulated Substances.

5. Regulated substances used by or for the Utility in water or wastewater treatment processes.

6. Fueling of equipment not licensed for street use, provided that such fueling activities are conducted in a containment area that is designed and maintained to prevent leakage or other violations of this section.
7. Fuel tanks and fluid reservoirs attached to a private or commercial motor vehicle and used directly in the operation of that vehicle.
8. Existing heating systems using fuel oil.
9. Cleanups, monitoring and/or studies undertaken under supervision of state regulatory agencies or the United States Environmental Protection Agency.

(5) *Definitions.* Except as stated in this Section, and unless a different meaning of a word or term is clear from the context, the definition of words or terms in this section shall be the same as those used in the Wisconsin State Statute *Groundwater Protection Standards*, and the Wisconsin Administrative Code, NR 811.02, as amended from time to time.

- (a) Aquifer means saturated (with Groundwater) soils and geologic materials which are sufficiently permeable to readily yield economically useful quantities of water to wells, springs or streams under ordinary hydraulic gradients.
- (b) Facility means: any building, structure, installation, equipment, pipe or pipeline including but not limited to any pipe into a sewer or publicly owned treatment works, well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft; or any Site or area where a hazardous substance has been deposited, stored, disposed of, or placed or otherwise come to be located.
- (c) Groundwater means underground water which occurs within the Saturated Zone and geologic materials where the fluid pressure in the pore space is equal to or greater than atmospheric pressure.
- (d) Municipal Water Supply means the public water supply serving the City of Sturgeon Bay.
- (e) Person means any person, individual, public or private corporation, firm, association, joint venture, trust, partnership, municipality, governmental agency, political subdivision, public officer, owner, lessee, tenants, or any other entity whatsoever or any combination of such, jointly or severally, including Limited Liability Companies and Limited Partnerships.
- (f) Regulated Substances means those chemicals and chemical mixtures that are health hazards except for products registered as pesticides under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). Health hazards for chemicals and chemical mixtures are typically identified on Material Safety Data Sheets (MSDS) available from the substance manufacturer or supplier. Substances packaged for consumption for humans or animals are not considered regulated substances. Regulated substances include: Chemicals for which there is scientific evidence that acute or chronic health effects may result from exposure including carcinogens, toxic agents, irritants, corrosives, sensitizers, hepatoxins; agents that

act on the hematopoietic system; reproductive toxins; and agents which damage the lungs, skin, eyes, or mucous membranes as defined in 29 CFR 1910.1200, Appendix A, "Health Hazard" Definitions; mixtures of chemicals which have been tested as a whole and have been determined to be a health hazard; mixtures of chemicals which include a carcinogen; petroleum and non-solid petroleum derivatives (except non-PCB dielectric fluids used in equipment or for transmission and distribution of electric power to homes and businesses).

- (g) Regulated Use means land use or development that either by design or operation requires additional technical or regulatory review and permitting in order to exist within defined areas of the wellhead protection areas
- (h) Utility means Sturgeon Bay Utilities.
- (i) Utility Commission or Commission means the Sturgeon Bay Utilities Commission
- (j) Well means any excavation that is drilled, cored, bored, driven, dug, fitted or otherwise constructed when the intended use of such excavation is for the location, diversion, artificial recharge or acquisition of Groundwater.
- (k) Wellhead Protection Area ("WPA") means those lands that lie within the Zone of Contribution of the Sturgeon Bay municipal wells and which also lay within the City of Sturgeon Bay corporate limits.
- (l) Zone of Contribution means those areas identified as contributing source water to the Municipal Water Supply.

(6) *Allowable Uses.* Any use that is allowed under the applicable regulations and requirements of this Chapter is permitted in the WPA, subject to regulated use requirements and applicable design and operational standards.

(7) *Regulated Uses.* The following uses and activities undertaken after enactment shall require a regulated use permit according to the provisions in subsection (9), below, unless exempted in (4)(b), above:

- (a) Buried hydrocarbon, petroleum or hazardous chemical storage tanks. (Hazardous chemicals identified by OSHA criteria under 40 CFR Part 370.)
- (b) Chemical Manufacturers.
- (c) Dry cleaners.
- (d) Landfills or any other solid waste facility.
- (e) Manure and animal waste storage.
- (f) Mining including sand and gravel pits.
- (g) Pesticide and fertilizer dealer, transfer or storage facilities.
- (h) Rendering plants and slaughter houses.

- (i) Salt or deicing material storage.
- (j) Septage, manure or non-stabilized sludge spreading, storage or treatment.
- (k) Salvage or junk yards.
- (l) Private on-site wastewater treatment systems and/or holding tanks receiving more than 12,000 gallons per day.
- (m) Private high capacity water wells.
- (n) Storm water infiltration basins.
- (o) Wood preserving operations.
- (p) Facilities whose aggregate use, storage, handling and/or production of Regulated Substances exceeds twenty (20) gallons or one hundred sixty (160) pounds at any time.

(8) *Classification of Use.* Classification of a use as being allowable or regulated shall be determined by the Utility. In instances where there is uncertainty to the proper classification, the Utility may request additional information from the Person responsible for the operation of the Facility including but not limited to details of use, activities and structures proposed along with the quantities, use of, storage and handling of all regulated substances.

(9) *Regulated Use Permits.* Any person may request a regulated use permit for certain new or expanded uses, activities and structures within the WPA that are regulated in Subsection (7).

(a) *Application.* All requests for a regulated use permit shall be submitted in writing to the Utility Commission on a form provided by the Utility for a review of permit application materials. Application shall include, as applicable, site plan, operational plan, contingency / emergency response plan, and other materials necessary to determine compliance with the provisions of this ordinance.

(b) *Determination.* The Utility Commission shall have the authority to approve or deny a Regulated Use Permit Application. The determination shall be made within 60 days of submission of all application materials required, unless an extension is mutually agreed upon by the applicant and Utility.

(c) *Required provisions.* All regulated use permits granted shall be subject to provisions that will include environmental and safety monitoring determined necessary to afford adequate protection of the public water supply. These provisions shall include, but not be limited to:

1. Establish environmental and operations plan to include an operational safety plan, material process and containment, operations monitoring, best management practices, and storm water run-off management.
2. Prepare, file and maintain a current contingency plan which details the response to any emergency that occurs at the facility. Provide a current copy to the Utility.

- (d) *Appeal.* An applicant that is denied a Regulated Use Permit may submit an appeal to the Zoning Board of Appeals.

(10) *Design and Operational Standards for New or Expanded Facilities.*

- (a) The following design and operational standards shall apply to permitted and regulated land use activities within the WPA:

1. All parking lots shall be paved with asphalt or concrete.
2. All storm water conveyance shall be via a swale lined with an appropriate impervious material or a watertight storm sewer pipe.
3. Facilities that handle Regulated Substances shall have a minimum of one loading/unloading area designated for the handling of Regulated Substances. The designated loading/unloading area shall be designed with spill and/or runoff containment that is connected to a municipal sanitary sewer system. The loading/unloading area shall be designed to minimize precipitation or storm water runoff from entering the sanitary sewer. Regulated Substances may be loaded or unloaded only in a designated handling area.
4. Storage areas for Regulated Substances shall be designed with secondary containment capable of controlling one hundred fifty percent (150%) of the maximum design capacity of the storage area.
5. Regulated Substances associated with paving, pouring of concrete, or construction activities may be handled in the WPA provided such permitted Regulated Substances do not pose a real and present danger of contaminating surface and/or groundwater. For the onsite storage of fuel for vehicles and other equipment, which may be associated with such construction activity, the fuel storage containers shall be secondarily contained. Regulated Substances not used in the construction process and all wastes generated during construction shall be removed from the construction site not later than at the time of the completion of the construction. If construction activity has ceased for thirty (30) days, all Regulated Substances shall be removed from the site until such time as the construction activity is to resume.
6. Except in the case of seasonal discontinuation of operation, the owner or operator of any non-residential property that becomes unoccupied or has discontinued operation for a period of thirty (30) consecutive days shall remove all Regulated Substances from the property. The owner or operator shall secure the Regulated Substances on the property until they have been removed.
7. No truck, truck trailer, or tank truck shall be used for the onsite storage of Regulated Substances. Regulated Substances shall be transferred from the delivery vehicle to the Regulated Substance storage area as soon as possible.

- (b) The following separation distances between any public well and potential contaminant sources as specified in NR 811.16, Wis. Adm. Code shall be maintained:

1. Storm Sewer Main: Fifty (50) feet.

2. Sanitary Sewer Main, Manhole, or Lift Station: two hundred (200) feet. A lesser separation distance may be allowed for sanitary sewer mains where the main is constructed of water main materials and joints and pressure tested to meet current American Water Works Association (AWWA) specifications. In no case may the separation distance between a well and sanitary sewer main be less than fifty (50) feet.
3. Single or two family residential fuel tank: Two hundred (200) feet.
4. Septic tank or soil absorption unit receiving less than 12,000 gallons perday: Four hundred (400) feet.
5. Gasoline or fuel storage installation that has received written approval from the Wisconsin Department of Commerce under s Comm 10.10, Wis Adm. Code: Six hundred (600) feet.
6. Cemetery: Four hundred (400) feet.
7. Septic tank or absorption unit receiving more than 12,000 gallons per day: One thousand (1000) feet.
8. Salt or deicing storage facility: One thousand two hundred (1,200) feet.

(11) *Requirements for Existing Facilities.* Existing Facilities within the WPA at the time of enactment which use, store, handle or produce a Regulated Substance(s) in excess of the quantities outlined in Subsection (7) and all other Facilities which are considered a regulated use in Subsection (7), shall be subject to the following requirements:

- (a) Such Facilities as defined above which exist within the WPA at the time of the enactment of the Wellhead Protection Requirements shall have the responsibility of devising, filing and maintaining, with the Utility, a current contingency plan which details how they intend to respond to any emergency which may cause or threaten to cause environmental pollution that occurs at their Facility, including notifying municipal, county and state officials.
- (b) Such Facilities as defined above cannot engage in or employ a use, activity, or structure listed in regulated uses, which they did not engage in or employ at the time of the enactment of the WPA.
- (c) No existing use, activity or structure listed as regulated use shall be expanded, replaced in kind, or rebuilt unless a regulated use permit is granted for such expansion, replacement or rebuilding. This section does not apply to normal maintenance or minor repairs.

(12) *Enforcement.* The Utility shall have the authority to administer and enforce the provisions of this section by order, and may obtain injunctive relief if deemed appropriate to terminate any continuing violation.

(a) *Inspections.* The Utility shall have the right to conduct inspections of facilities at reasonable times to determine compliance with this section.

(b) Permit Revocation. The Utility may revoke any permit issued pursuant to this section after notice to the permittee is provided that the permittee has:

1. Failed to comply with any provision of this section.
2. Submitted False or inaccurate information in a permit application.
3. Refused lawful inspection.
4. Failed to address a notice of violation within the proper time frame.

(13) *Notice of Violation.* Whenever it is determined that there is a violation of this section, the notice of violation shall:

(a) Be in writing and delivered to the responsible party by regular mail.

(b) Specify the violation or violations.

(c) Specify the length of time allowed to correct the violation from the date of the notice of violation.

(14) Penalties. Any Person who violates any provision of this section shall be subject to a penalty as provided in Section 25.04 of this municipal code. In addition, any Person who violates any provision of this section shall be responsible for any fees and costs incurred by the Utility in obtaining injunctive relief as outlined in subsection (12), above.

SECTION 2: This ordinance shall take effect on the day after its publication.

Approved:

Thad Birmingham
Mayor

Attest:

Stephanie Reinhardt
City Clerk

Executive Summary

Title: Wellhead Protection Ordinance

Background: The City of Sturgeon Bay relies on groundwater for its municipal water supply. There are 5 active wells currently. In 2003, Sturgeon Bay Utilities (SBU) and Door County Soil & Water Conservation Department completed a wellhead protection plan. This plan is intended to prevent contamination of the municipal wells. It identified the zones of contribution for the municipal wells, which is the area from which water flows into the wells. Since that time SBU has implemented programs to protect their wells from contamination.

The proposed wellhead protection ordinance was drafted by SBU. This ordinance is patterned after a model DNR ordinance and would restrict certain uses and activities within the zones of contribution (within the City limits). It operates as an overlay zone. Only properties within the zones of contribution are subject to the wellhead protection provisions. Residential uses are specifically exempt.

The allowed uses within the wellhead protection area are the same as the zoning district in which a parcel lies. However, certain uses and activities (if allowed in that district) are regulated. This means that an operations and contingency plan must be submitted and approved by SBU prior to establishing or expanding such use. The operations and contingency plans are designed to minimize the chance of contaminants entering the water supply. There are certain standards that must be met.

The ordinance also specifies certain required setback distances between municipal wells and various facilities or uses. These range from 50 feet for storm sewer mains up to 1200 feet for a salt storage facility.

Administration of the ordinance is by SBU and the Utility Commission. The code would be incorporated into the overall zoning code. Appeals of actions by SBU can be made to the Zoning Board of Appeals.

The draft code has undergone numerous changes based upon input from the Plan Commission. The code has also been reviewed by the City Attorney. The suggestions of the attorney have already been incorporated.

A public informational meeting was held before the Plan Commission. Existing regulated businesses were notified and an ad placed in the newspaper. No public comments were received. Surprisingly, there are not that many regulated uses that already exist in the WPA. There are 25 businesses as identified by SBU. The proposed ordinance requires that the existing uses devise and maintain a contingency plan for the handling of the regulated substance. Many of these affected businesses likely have such safety plans already in place.

Fiscal Impact: If the code is administered by SBU and the Utility Commission, there will be no cost to the City, just to the ratepayers. The actual cost of administering the code is not known, but it is not expected to be significant. SBU feels the protection afforded their wells more than makes up for the nominal cost of administration.

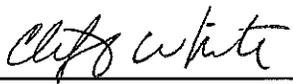
Public Hearing: The required public hearing is scheduled for June 5th before the Council. Pertinent testimony should be considered by the Council prior to taking final action on the new ordinance.

Options for Common Council: Among the various options for the Council are:

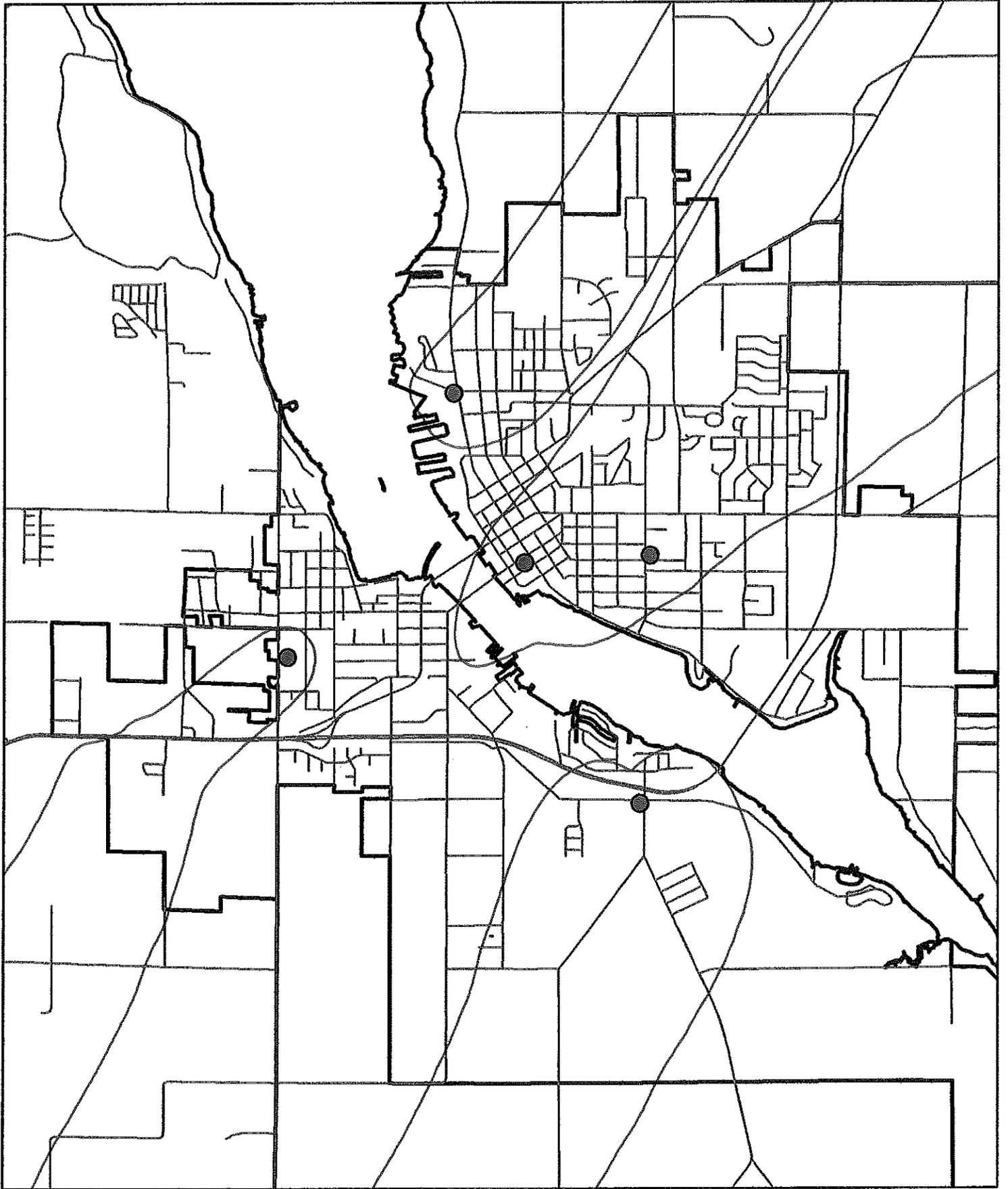
1. Adopt the ordinance. Two readings of the ordinance are required.
2. Reject the ordinance. The proposed ordinance would not be implemented.
3. Make changes and adopt the ordinance.
4. Refer the matter back to Plan Commission for further study or changes.

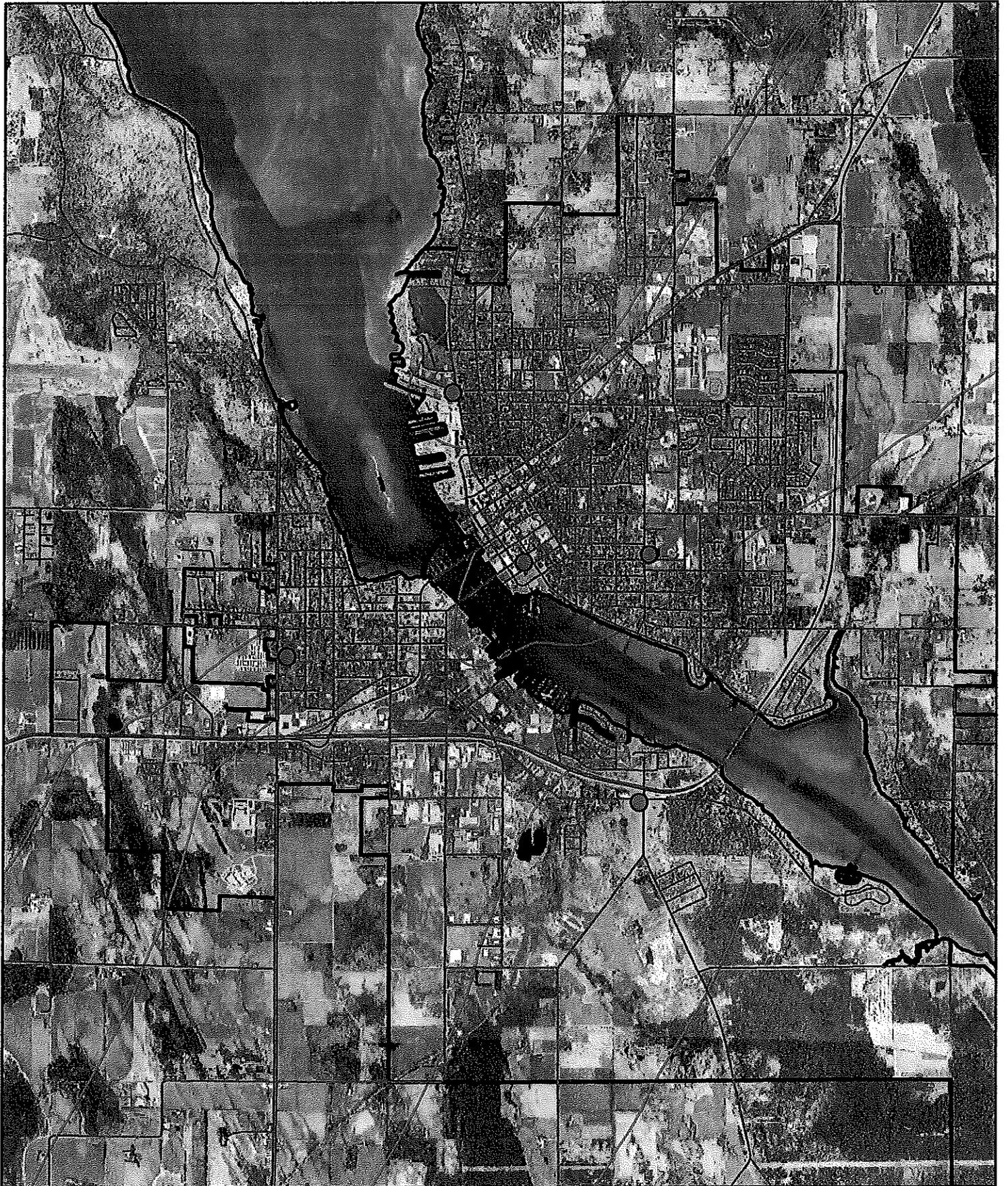
Recommendation: Adopt the ordinance.

Prepared by:  5-30-12
Martin Olejniczak Date
Community Development Director

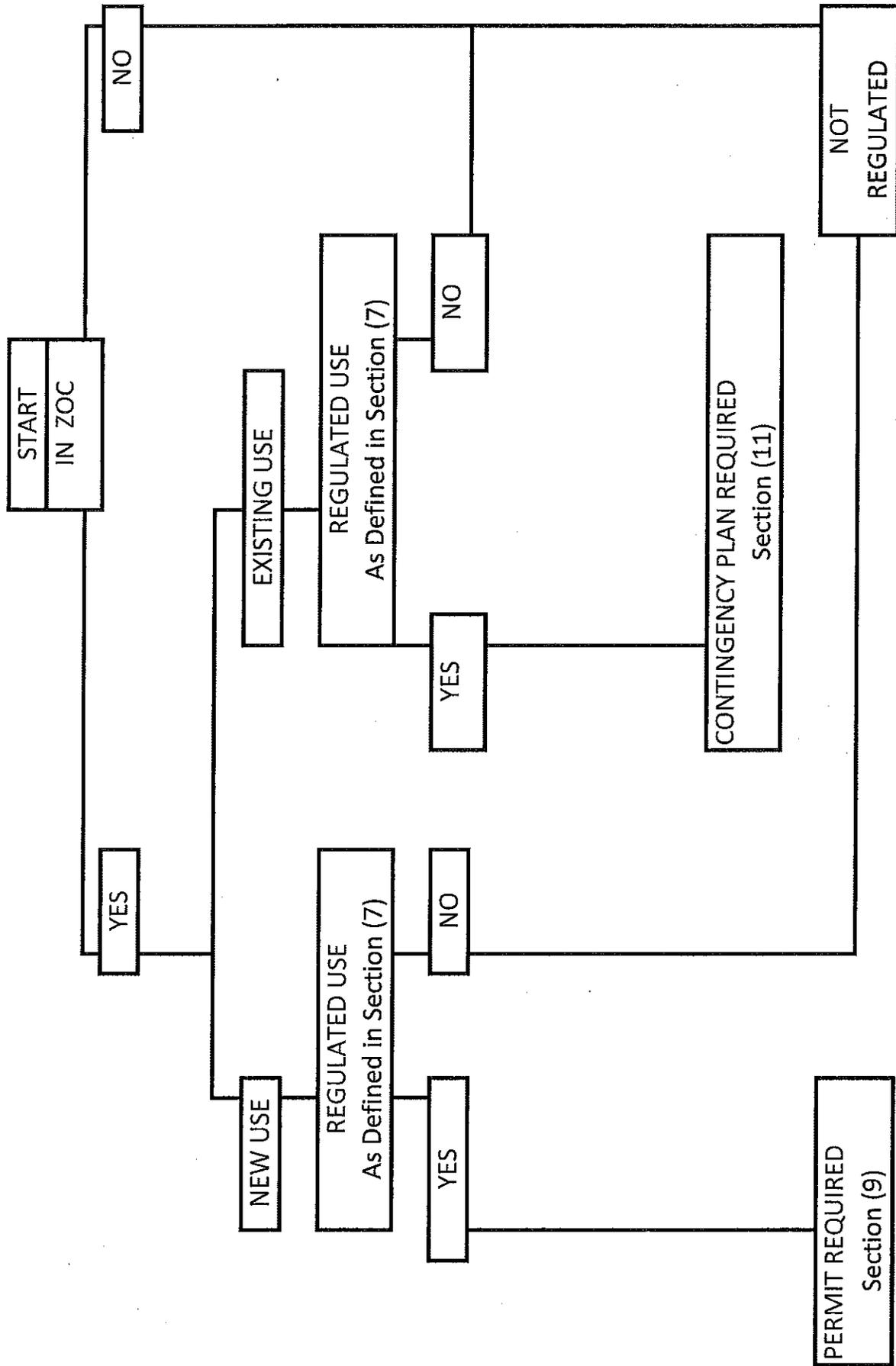
Reviewed by:  5/30/12
Cliff White Date
Operations Manager, SBU

Reviewed by:  5/30/12
Steve McNeil Date
City Administrator





WELLHEAD PROTECTION
FLOW CHART



ORDINANCE NO. _____

THE COMMON COUNCIL OF THE CITY OF STURGEON BAY, WISCONSIN DO ORDAIN AS FOLLOWS:

SECTION 1: Section 20.15(1)(b) of the Municipal Code (zoning code) of the City of Sturgeon Bay, Wisconsin is hereby repealed and recreated as follows:

(b) Residential use, when incorporated in a multi-use building and using less provided such use covers not more than 50 percent of the available combined floor area of all principal buildings within the lot.

SECTION 2: This ordinance shall take effect on the day after its publication.

Approved:

Thad Birmingham
Mayor

Attest:

Stephanie Reinhardt
City Clerk

EXECUTIVE SUMMARY

Title: Residential Use in C-2 District

Background: Currently, the C-2 zoning district has a permitted use that reads "residential use when incorporated in a multi-use building and using less than 50% of the available floor area". This use has been successfully used for the many downtown buildings that have apartments in the upper floor or in the back of the building. The idea is that the primary use of the property stays commercial since the residential use is limited to 50% of the building.

There are a few situations in the C-2 district where there are multiple buildings on a parcel and a separate building is (or could potentially be) used for residential purposes. An example is the dwelling located on the Dorchester Nursing Home property. Under the current code, the separate building cannot be used more than 50% residential even though the overall floor area on the parcel would be less than 50% residential. In situations such as these using an entire building for residential purposes likely meets the intent of the code, as long as the overall property stays primarily commercial.

To make the residential option in the C-2 district less restrictive, the proposed amendment was drafted. The amendment revises the provision to allow the 50% rule to apply to the entire parcel rather than the individual building. Therefore, parcels with multiple buildings could have one building be residential as long as it didn't exceed 50% of overall floor area.

Fiscal Impact: Other than the cost of the public hearing and publishing the ordinance, there is likely no impact.

Plan Commission Action: The Plan Commission unanimously recommends approval of the zoning text amendment.

Public Hearing: The required public hearing is scheduled for June 5th. The Council should consider any pertinent testimony prior to taking final action.

Options for Common Council: Among the various options for the Council are:

1. Adopt the ordinance.
2. Reject the ordinance.
3. Make changes to the ordinance and adopt.
4. Refer the matter back to Plan Commission for additional study or changes.

Recommendation: Adopt the ordinance.

Prepared by: Martin Olejniczak 5-30-12
Martin Olejniczak Date
Community Development Director

Reviewed by: Steve McNeil 3/30/12
Steve McNeil Date
City Administrator

- (w) Bed and breakfast establishments, provided the facility is licensed by the Wisconsin Department of Health and Social Services.
 - (x) Boardinghouses and lodging houses.
 - (2) Conditional uses are:
 - (a) Communication towers.
 - (b) Colleges and vocational schools.
 - (c) Public utilities.
 - (d) Multiple-family dwellings.
 - (e) Community living arrangements, except as regulated in § 62.23(7)(i), Wis. Stats., and provided, however, that the 2,500-foot distance described in § 62.23(7)(i)2r.a., Wis. Stats., shall not apply.
 - (f) Hospitals.
 - (g) Water related uses such as marinas, launch ramps, charter boating or fishing and ferry terminals.
 - (h) Commercial establishments with drive-through facilities.
 - (i) Public garages, shops or storage yards.
 - (j) Outdoor recreation facilities such as golf courses, shooting ranges, and outdoor theaters.
 - (k) Animal shelters and pounds.
 - (l) Commercial housing facilities.
 - (m) Residential use, when incorporated into a multiuse building and using not more than 50 percent of the available floor area.
- (Ord. No. 961-1195, § 3, 11-7-95; Ord. No. 1099-0603, § 3, 6-17-03; Ord. No. 1118-0104, § 3, 1-6-04; Ord. No. 1144-0305, § 3, 3-15-05; Ord. No. 1207-0608, § 1, 6-17-08)



20.15 Use regulations for C-2 district.

The C-2 district is intended for the central business district on both the east and west sides of the city. It is intended to provide development and redevelopment opportunities consistent with the historic development pattern of the areas. Targeted uses shall be those commercial uses which do not detract from this area because of noise, smoke, odors, or disruption of traffic patterns.

- (1) Permitted uses are:
 - (a) Any use listed as a permitted use in the C-1 district, except gasoline service stations; automobile repair establishments; automobile, recreational vehicle or farm implement sales lots; commercial storage facilities; and lumber and building supply yards.



(b) Residential use, when incorporated in a multi-use building and using less than 50 percent of the available floor area.

(2) Conditional uses are:

(a) Communication towers.

(b) Colleges and vocational schools.

(c) Public utilities.

(d) Multiple-family dwellings.

(e) Community living arrangements, except as regulated in § 62.23(7)(i), Wis. Stats., and provided, however, that the 2,500-foot distance described in § 62.23(7)(i)2r.a., Wis. Stats., shall not apply.

(f) Hospitals.

(g) Water-related uses such as marinas, launch ramps, charter boating or fishing and ferry terminals.

(h) Gasoline service stations.

(i) Automobile repair establishments.

(j) Automobile or recreational vehicle sales lots.

(k) Commercial establishments with drive-through facilities.

(l) Bed and breakfast establishments, provided the facility is licensed by the Wisconsin Department of Health and Social Services.

(m) Commercial housing facilities.

(Ord. No. 961-1195, § 3, 11-7-95; Ord. No. 1099-0603, § 4, 6-17-03; Ord. No. 1118-0104, § 4, 1-6-04; Ord. No. 1144-0305, § 4, 3-15-05)

20.16 Use regulations for C-3 district.

The C-3 district is intended to provide limited areas within the commercial area of the city for light manufacturing and warehousing activities. It is particularly intended for areas with

THE COMMON COUNCIL OF THE CITY OF STURGEON BAY, WISCONSIN DO ORDAIN AS FOLLOWS:

SECTION 1: Section 13.01 of the Municipal Code of the City of Sturgeon Bay, Wisconsin is hereby amended to read as follows:

13.01 Combined Utility.

- (1) The electric utility and the water utility of the city remain combined as a single public utility known as Sturgeon Bay Utilities. Sturgeon Bay Utilities shall manage any property of the city of whatever nature comprising part of or used or useful in connection with the electric or the water utility of the city, including all property used in common by such utilities. The sewer utility shall be a separate public utility known as the Sturgeon Bay Sewer Utility. Sturgeon Bay Sewer Utility shall include any property of the city of whatever nature comprising part of or used or useful in connection with the sewer utility of the city.
- (2) Pursuant to § 66.0805, Wis. Stats., the Sturgeon Bay Utilities and the Sturgeon Bay Sewer Utility shall be managed by a board of seven commissioners known as the utility commission. The commission shall have entire charge and management of the Sturgeon Bay Utilities and the Sturgeon Bay Sewer Utility, shall appoint a general manager and fix the compensation, and shall supervise the operation of the Sturgeon Bay Utilities and Sturgeon Bay Sewer Utility under the general control and supervision of the common council.
- (3) The utility commission shall consist of the mayor, ~~two~~ three alderpersons to be elected by the council and ~~four~~ three citizens who are also to be elected by the council. Neither the mayor nor the alderpersons shall receive any additional remuneration for serving on the utility commission. In lieu of membership the mayor may call for council election of a citizen member who shall the serve the unfulfilled term of the mayor.
- (4) The alderpersons and citizen members shall be elected for terms of seven years each, beginning on October 1, provided that the terms of the commissioners first elected shall expire successively for each year on the succeeding October 1, and provided the terms of the alderpersons and mayor shall automatically expire upon their ceasing to be members of the council. The terms of the two additional citizen members added to the utility commission after the election of the initial citizen members, shall expire October 1, 2007, and October 1, 2008, respectively; thereafter their terms shall be for a period of seven years each. The citizen members shall be persons of recognized experience and qualifications.

SECTION 2: This ordinance shall take effect on October 1, 2012.

Approved:

Thad Birmingham, Mayor

Attest:

Stephanie L. Reinhardt, City Clerk

RESOLUTION NO. _____

RESOLUTION AWARDING THE SALE OF \$2,820,000*
GENERAL OBLIGATION REFUNDING BONDS

WHEREAS, on May 1, 2012, the Common Council of the City of Sturgeon Bay, Door County, Wisconsin (the "City") adopted a resolution entitled: "Resolution Providing for the Sale of Approximately \$2,820,000 General Obligation Refunding Bonds" (the "Set Sale Resolution") authorizing the issuance of General Obligation Refunding Bonds in the amount of approximately for the purpose of refinancing the City's General Obligation Refunding Bonds, dated April 1, 2002 (the "2002 Bonds") and all or a portion of the October 1, 2012 principal and interest payment on the General Obligation Refunding Bonds, dated June 1, 2005 (the "2005 Bonds"), the General Obligation Refunding Bonds, dated December 1, 2006 (the "2006 Bonds"), and the City's obligation to make the lease payment due under the Amended and Restated Lease Agreement dated August 31, 2006 (the "Lease") entered into between the City and the Waterfront Redevelopment Authority of the City of Sturgeon Bay (the "Authority") relating to the October 1, 2012 principal and interest payment due on the Authority's Redevelopment Lease Revenue Refunding Bonds, Series 2006A, dated August 31, 2006 (the "2006 Redevelopment Bonds") (collectively, the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding");

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin ("Baird") to take the steps necessary to sell bonds designated "General Obligation Refunding Bonds" for that purpose (the "Bonds");

WHEREAS, Baird, in consultation with the officials of the City, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on June 5, 2012;

WHEREAS, the City Clerk (in consultation with Baird) caused a form of notice of the sale to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on June 5, 2012;

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Official Notice of Sale and is deemed to be the most advantageous to the City. Baird has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

* Estimated, subject to change.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1A. Ratification of the Official Notice of Sale and Offering Materials. The Common Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Official Notice of Sale and any other offering materials prepared and circulated by Baird are hereby ratified and approved in all respects. All actions taken by officers of the City and Baird in connection with the preparation and distribution of the Official Notice of Sale and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization of the Bonds. For the purpose of paying the cost of the Refunding, there shall be borrowed, pursuant to Section 67.04, Wisconsin Statutes, through the issuance of the Bonds, the sum of TWO MILLION EIGHT HUNDRED TWENTY THOUSAND DOLLARS (\$2,820,000*).

Section 1C. Award of the Bonds. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal [(as modified on the Bid Tabulation and reflected in the Pricing Summary referenced below and incorporated herein)], plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal [(as modified on the Bid Tabulation)] is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer and applied in accordance with the Official Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Refunding Bonds"; shall be issued in the aggregate principal amount of \$2,820,000*; shall be dated July 5, 2012; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum; and mature on October 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2013. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 2A. Designation of Maturities. The Bonds of this issue which mature first are designated as being issued to refund the 2002 Bonds, 2005 Bonds and 2006 Bonds in the order in which the debt evidenced by said obligations were incurred and the remaining balance of the Bonds is designated to pay the cost of refunding the 2006 Redevelopment Bonds.

* Estimated, subject to change.

Section 3. Redemption Provisions. The Bonds maturing on October 1, 2022 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on October 1, 2021 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. [If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference.]

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2012 through 2022 for the payments due in the years 2013 through 2023 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Refunding Bonds, dated July 5, 2012" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer

shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a) Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium not used for the Refunding and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the City and disbursed solely for the purpose for which borrowed or for the payment of the principal of and the interest on the Bonds. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose for which the Bonds have been issued has been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the

date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts

for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 12. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Associated Trust Company, National Association, Green Bay, Wisconsin, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The Fiscal Agency Agreement between the City and the Fiscal Agent shall be substantially in the form attached hereto as Exhibit F and incorporated herein by this reference.

Section 13. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 14. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 16. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary

Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 17. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 18. Redemption of the 2002 Bonds. The 2002 Bonds due on and after April 1, 2015 are hereby called for prior payment and redemption on July 6, 2012 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Baird to cause timely notice of redemption, in substantially the form attached hereto as Exhibit G and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice.

Section 19. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 20. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded June 5, 2012.

Thad Birmingham
Mayor

ATTEST:

Stephanie L. Reinhardt
City Clerk

(SEAL)

DRAFT

EXHIBIT A

Official Notice of Sale

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT A

OFFICIAL NOTICE OF SALE

\$2,820,000*

CITY OF STURGEON BAY
DOOR COUNTY, WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS
DATED JULY 5, 2012 (THE "BONDS")

NOTICE IS HEREBY GIVEN that bids will be received by the Common Council, City of Sturgeon Bay, Door County, Wisconsin for the purchase of all but no part of its Bonds at the offices of the City's financial advisor, Robert W. Baird & Co. Incorporated ("Baird"), 777 East Wisconsin Avenue, 25th Floor, Milwaukee, WI 53202, Attention: Katherine Voss until 10:00 a.m. (Central Time) on

June 5, 2012

at which time the bids will be publicly opened and read. Bids may be mailed or delivered to Baird at the address set forth above, faxed to Baird at (414) 298-7354, or submitted electronically via PARITY, as described below. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 765-3827 or fax (414) 298-7354 for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for City of Sturgeon Bay Bonds". Bids will only be considered if the required good faith deposit has been received. A meeting of the Common Council will be held on said date for the purpose of taking action on such bids as may be received.

Dates and Maturities: The Bonds will be dated July 5, 2012 and will mature on October 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>
2013	\$70,000
2014	75,000
2015	80,000
2016	85,000

* The City reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the Bonds offered for sale. Any such increase or reduction will be made in multiples of \$5,000 in any maturity. In the event the principal amount is increased or reduced, any premium offered or any discount taken by the successful bidder will be increased or reduced by a percentage equal to the percentage by which the principal amount of the Bonds is increased or reduced.

<u>Year</u>	<u>Principal Amount*</u>
2017	\$ 75,000
2018	80,000
2019	85,000
2020	90,000
2021	95,000
2022	1,030,000
2023	1,055,000

Interest: Interest on the Bonds will be payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2013 to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

Optional Redemption: The Bonds maturing on October 1, 2022 and thereafter will be subject to redemption prior to maturity, at the option of the City, on October 1, 2021 or on any date thereafter. Said Bonds will be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Term Bonds at Bidder's Option: Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Mandatory Redemption: Any term bonds specified shall be subject to mandatory sinking fund redemption in part prior to their scheduled maturity dates on October 1 of certain years, as more fully described in the Dates and Maturities section herein, at a price of par plus accrued interest to the date of redemption.

Security and Purpose: The Bonds are general obligations of the City. The principal of and interest on the Bonds will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable property located in the City. The Bonds will be issued for the purpose of paying the cost of refunding obligations of the City, including interest on them.

Registration: The Bonds will be issued as fully-registered Bonds without coupons and, when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC").

DTC Book Entry Only System: UTILIZATION OF DTC IS REQUIRED. BIDS FOR THE BONDS MAY NOT PROVIDE FOR THE BONDS TO BE ISSUED ON A NON-DTC BASIS. DTC will act as securities depository of the Bonds. A single Bond certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and

its participants, in the denomination of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The successful bidder shall be required to deposit the Bond certificates with DTC as a condition to delivery of the Bonds. The City will make payments of principal and interest on the Bonds to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the City that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The City assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds.

Depository: In the event that the securities depository relationship with DTC for the Bonds is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, fully-registered certificated Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Bonds.

Fiscal Agent: The Bonds shall be distributed to the owners in fully-registered form by the fiscal agent for the City in the denomination of \$5,000 or any integral multiple thereof. Associated Trust Company, National Association will serve as the City's fiscal agent with respect to the Bonds (the "Fiscal Agent"). The Bonds shall be payable as to interest by check or draft of the Fiscal Agent mailed to the registered owners whose names appear on the books of the Fiscal Agent at the close of business on the fifteenth day of each calendar month next preceding each interest payment date and as to principal by presentation of the Bonds at the office of the Fiscal Agent. The City will pay all costs relating to the registration of the Bonds.

Designation as Qualified Tax-Exempt Obligations: The Bonds will be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The City Clerk or other officer of the City charged with the responsibility for issuing the Bonds, shall provide an appropriate certificate of the City as of the date of delivery and payment for the Bonds confirming the "qualified" status.

Bid Specifications: Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). No interest rate specified for any maturity may be lower than any interest rate specified for any earlier maturity. All Bonds of the same maturity shall bear the same interest rate. No bid for less than One Hundred Percent (100%) of the principal amount of the Bonds (\$2,820,000) nor more than One Hundred Three Percent (103%) of the principal amount of the Bonds (\$2,904,600) plus accrued interest to the date of delivery will be considered. The Bonds will be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the City.

Type of Bid – Amount: Bids must be submitted either: (1) to Baird as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, within a one hour period prior to the time of sale, but no bids will be received after the time established above for

the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Robert W. Baird & Co. Incorporated, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The City and Baird assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the City, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The City is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY is not an agent of the City.

The City may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Bonds and interest rate or rates to be borne by the Bonds and any other information included in such transmission) as though the same information were submitted on the bid form and executed on behalf of the bidder by a duly authorized signatory. If the bid is accepted by the City, the terms of the bid form, this Official Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, as described in this Official Notice of Sale and in the written form of Official Bid Form. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of Official Bid Form.

Good Faith Deposit: A cashier's check in the amount of \$56,400 may be submitted contemporaneously with the bid *or, in the alternative, a deposit in the amount of \$56,400 shall be made by the winning bidder by federal wire transfer as directed by the City Clerk or Treasurer to be received by the City no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (June 5, 2012) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Bonds.* The good faith deposit will be applied to the purchase price of the Bonds. In the event the successful bidder fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Bonds shall be made at the closing. Good faith checks of unsuccessful bidders will be returned by overnight delivery for next day receipt sent not later than the first business day following the sale.

Bond Insurance at Bidder's Option: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and

expense of the successful bidder. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Bonds.

Delivery: The Bonds will be delivered in printed form, one Bond per maturity, registered in the name of CEDE & CO., as nominee of The Depository Trust Company, securities depository of the Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately forty-five (45) days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Bonds, the successful bidder may, prior to tender of the Bonds, at its option, be relieved of its obligation under the contract to purchase the Bonds and its good faith deposit shall be returned, but no interest shall be allowed thereon.

Legality: The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin. A transcript of the proceedings relative to the issuance of the Bonds (including an arbitrage certificate and a no-litigation certificate) will be furnished to the successful bidder without cost. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the City's undertaking and such Certificate is a condition of closing.

CUSIP Numbers: The City will assume no obligation for the assignment of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon. The City will permit such numbers to be assigned and printed at the expense of the successful bidder, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

Reoffering Prices: Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the City a certificate, made on the best knowledge, information and belief of the successful bidder, acceptable to bond counsel, stating the initial reoffering prices to the public of each maturity of the Bonds and further stating that a substantial amount of each maturity of the Bonds was sold to the public or final purchasers thereof (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at or below such initial reoffering prices.

Official Statement: Bidders may obtain a copy of the Preliminary Official Statement by request to the City's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the City within 24 hours after the award of the Bonds all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven days of the award of the Bonds, the successful bidder will be provided with an electronic copy of the Official Statement in pdf format and up to 10 copies of the Official Statement without cost. Additional copies of the Official Statement may be purchased from Baird up to three months following the sale of the Bonds. If the

successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement to syndicate members.

Certification Regarding Official Statement: The City will deliver, at closing, a certificate, executed by appropriate officers of the City acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the City and the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The City also agrees to notify the successful bidder of any material developments impacting the City or the Bonds of which the City becomes aware within 60 days after the delivery of the Bonds.

Undertaking to Provide Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to a Resolution to be adopted by the Common Council), to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the City, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Irregularities: The City reserves the right to reject any and all bids and to waive any and all irregularities.

Information: The internet address for the Preliminary Official Statement is: www.bairdbondsales.com. Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to: Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202; Attention: Katherine Voss, (414) 765-3827 or the undersigned.

Valerie J. Clarizio
Finance Director/Treasurer
City of Sturgeon Bay
421 Michigan Street
Sturgeon Bay, WI 54235
Phone: (920) 746-2901

EXHIBIT B

Bid Tabulation

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on October 1, _____, _____, _____ and _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on October 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on October 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on October 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on October 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on October 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)]

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
DOOR COUNTY
NO. R-___ CITY OF STURGEON BAY \$ _____
GENERAL OBLIGATION REFUNDING BOND

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
October 1, _____ July 5, 2012 _____% _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$ _____)

FOR VALUE RECEIVED, the City of Sturgeon Bay, Door County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository"), identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2013 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$2,820,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the purpose of paying the cost of refunding certain outstanding obligations of the City, all as authorized by resolutions of the Common Council duly adopted by said governing

body at meetings held on May 1, 2012 and June 5, 2012. Said resolutions are recorded in the official minutes of the Common Council for said dates.

The Bonds maturing on October 1, 2022 and thereafter are subject to redemption prior to maturity, at the option of the City, on October 1, 2021 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years _____, _____ and _____ are also subject to mandatory redemption by lot as provided in the resolution authorizing the Bonds at the redemption price of par plus accrued interest to the date of redemption and without premium.]

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption; CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer (which may be endorsed

hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of Sturgeon Bay, Door County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF STURGEON BAY,
DOOR COUNTY, WISCONSIN

By: _____

Thad Birmingham
Mayor

By: _____

Stephanie L. Reinhardt
City Clerk

(SEAL)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

EXHIBIT F

FISCAL AGENCY AGREEMENT

THIS AGREEMENT, made as of the 5th day of July, 2012 between the City of Sturgeon Bay, Wisconsin (the "Municipality"), and Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent").

WITNESSETH:

WHEREAS, the Municipality has duly authorized the issuance of its \$2,820,000 General Obligation Refunding Bonds, dated July 5, 2012 (the "Obligations") pursuant to the applicable provisions of the Wisconsin Statutes and the resolutions adopted by the Municipality on May 1, 2012 and June 5, 2012 (collectively, the "Resolution"); and

WHEREAS, the Municipality is issuing the Obligations in registered form pursuant to Section 149 of the Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations promulgated thereunder; and

WHEREAS, pursuant to the Resolution and Section 67.10(2), Wisconsin Statutes the Municipality has authorized the appointment of the Fiscal Agent as agent for the Municipality for any or all of the following responsibilities: payment of principal and interest on, registering, transferring and authenticating the Obligations as well as other applicable responsibilities permitted by Section 67.10(2), Wisconsin Statutes.

NOW, THEREFORE, the Municipality and the Fiscal Agent hereby agree as follows:

I. APPOINTMENT

The Fiscal Agent is hereby appointed agent for the Municipality with respect to the Obligations for the purpose of performing such of the responsibilities stated in Section 67.10(2), Wisconsin Statutes as are delegated herein or as may be otherwise specifically delegated in writing to the Fiscal Agent by the Municipality.

II. INVESTMENT RESPONSIBILITY

The Fiscal Agent shall not be under any obligation to invest funds held for the payment of interest or principal on the Obligations.

III. PAYMENTS

At least one business day before each interest payment date (commencing with the interest payment date of April 1, 2013 and continuing thereafter until the principal of and interest on the Obligations should have been fully paid or prepaid in accordance with their terms) the Municipality shall pay to the Fiscal Agent, in good funds immediately available to the Fiscal Agent on the interest payment date, a sum equal to the amount payable as principal of, premium, if any, and interest on the Obligations on such interest payment date. Said interest and/or principal payment dates and amounts are outlined on Schedule A which is attached hereto and incorporated herein by this reference.

IV. CANCELLATION

In every case of the surrender of any Obligation for the purpose of payment, the Fiscal Agent shall cancel and destroy the same and deliver to the Municipality a certificate regarding such cancellation. The Fiscal Agent shall be permitted to microfilm or otherwise photocopy and record said Obligations.

V. REGISTRATION BOOK

The Fiscal Agent shall maintain in the name of the Municipality a Registration Book containing the names and addresses of all owners of the Obligations and the following information as to each Obligation: its number, date, purpose, amount, rate of interest and when payable. The Fiscal Agent shall keep confidential said information in accordance with applicable banking and governmental regulations.

VI. INTEREST PAYMENT

Payment of each installment of interest on each Obligation shall be made to the registered owner of such Obligation whose name shall appear on the Registration Book at the close of business on the 15th day of the calendar month next preceding the interest payment date and shall be paid by check or draft of the Fiscal Agent mailed to such registered owner at his address as it appears in such Registration Book or at such other address as may be furnished in writing by such registered owner to the Fiscal Agent.

VII. PAYMENT OF PRINCIPAL AND NOTICE OF REDEMPTION

(a) Principal Payments. Principal shall be paid to the registered owner of an Obligation upon surrender of the Obligation on or after its maturity or redemption date.

[The Obligations due on October 1, 20__ and October 1, 20__ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from deposits which are required to be made in amounts sufficient to redeem on October 1 of each year the respective amount of Term Bonds specified on the attached Schedule MRP.

The Municipality hereby directs and the Fiscal Agent hereby agrees to select the Term Bonds to be redeemed on the dates set forth above and to give notice of such redemption as set forth in substantially the form attached hereto as Schedule B by registered or certified mail, facsimile transmission, overnight express delivery or electronic transmission at least thirty (30) days prior to the date fixed for redemption to the registered owner of each Obligation selected to be redeemed, in whole or in part, at the address shown on the registration books as of the Record Date.

The Municipality, in accordance with Section III hereof, shall make payments sufficient for the Fiscal Agent to pay the amounts due on the Term Bonds subject to mandatory redemption.]

(b) Official Notice of Redemption. In the event the Municipality exercises its option to redeem any of the Obligations, the Municipality shall, at least 35 days prior to the redemption date, direct the Fiscal Agent to give official notice of such redemption by sending an official notice thereof by registered or certified mail, facsimile transmission, overnight express delivery or electronic transmission at least 30 days prior to the date fixed for redemption to the registered owner of each Obligation to be redeemed in whole or in part at the address shown in the Registration Book. Such official notice of redemption shall be dated and shall state (i) the redemption date and price; (ii) an identification of the Obligations to be redeemed, including the date of original issue of the Obligations; (iii) that on the redemption date the redemption price will become due and payable upon each such Obligation or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (iv) the place where such Obligations are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Fiscal Agent. [Official notice of the redemption of Obligations subject to mandatory redemption shall be given in the same manner.]

(c) Additional Notice of Redemption. In addition to the official notice of redemption provided in (b) above, further notice of any redemption shall be given by the Fiscal Agent on behalf of the Municipality to the Municipal Securities Rulemaking Board and The Depository Trust Company of New York, New York but neither a defect in this additional notice nor any failure to give all or any portion of such additional notice shall in any manner defeat the effectiveness of a call for redemption.

Each further notice of redemption given hereunder shall be sent at least 30 days before the redemption date by registered or certified mail, overnight delivery service, facsimile transmission or email transmission and shall contain the information required above for an official notice of redemption.

(d) Redemption of Obligations. The Obligations to be redeemed [at the option of the Municipality] shall be selected by the Municipality and, within any maturity, shall be selected by lot by the Depository described in Section VIII hereof. [Obligations subject to mandatory redemption shall be selected as described in (a) above.] The Obligations or portions of Obligations to be redeemed shall, on the redemption dates, become due and payable at the redemption price therein specified, and from and after such date such Obligations or portions of Obligations shall cease to bear interest. Upon surrender of such Obligations for redemption in accordance with the official notice of redemption, such Obligations shall be paid by the Fiscal Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Obligation, there shall be prepared for the registered owner a new Obligation or Obligations of the same maturity in the amount of the unpaid principal. Each check or other transfer of funds issued in payment of the redemption price of Obligations being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Obligations being redeemed with the proceeds of such check or other transfer.

VIII. UTILIZATION OF THE DEPOSITORY TRUST COMPANY

The Depository Trust Company's Book-Entry-Only System is to be utilized for the Obligations. The Fiscal Agent, as agent for the Municipality, agrees to comply with the provisions of The Depository Trust Company's Operational Arrangements, as they may be amended from time to time referenced in the Blanket Issuer Letter of Representations executed by the Municipality. The provisions of the Operational Arrangements and this Section VIII supersede and control any and all representations in this Agreement.

IX. OBLIGATION TRANSFER AND EXCHANGE

The Fiscal Agent shall transfer Obligations upon presentation of a written assignment duly executed by the registered owner or by such owner's duly authorized representative. Upon such a transfer, new registered Obligation(s) of the same maturity, in authorized denomination or denominations in the same aggregate principal amount for each maturity shall be issued to the transferee in exchange therefor, and the name of such transferee shall be entered as the new registered owner in the Registration Book. No Obligation may be registered to bearer. The Fiscal Agent may exchange Obligations of the issue for a like aggregate principal amount of Obligations of the same maturity in authorized whole multiples of \$5,000.

The Obligations shall be numbered R-1 and upward. Upon any transfer or exchange, the Obligation or Obligations issued shall bear the next highest consecutive unused number or numbers.

The Municipality shall cooperate in any such transfer and the appropriate officers of the Municipality are authorized to execute any new Obligation or Obligations necessary to effect any such transfer.

X. STATEMENTS

The Fiscal Agent shall furnish the Municipality with an accounting of interest and funds upon reasonable request.

XI. FEES

The Municipality agrees to pay the Fiscal Agent fees for its services hereunder in the amounts set forth on Schedule [B/C] hereto.

XII. MISCELLANEOUS

(a) Nonpresentation of Checks. In the event the check or draft mailed by the Fiscal Agent to the registered owner is not presented for payment within five years of its date, then the monies representing such nonpayment shall be returned to the Municipality or to such board, officer or body as may then be entitled by law to receive the same together with the name of the registered owner of the Obligation and the last mailing address of record and the Fiscal Agent shall no longer be responsible for the same.

(b) Resignation and Removal; Successor Fiscal Agent. (i) Fiscal Agent may at any time resign by giving not less than 60 days written notice to Municipality. Upon receiving such

notice of resignation, Municipality shall promptly appoint a successor fiscal agent by an instrument in writing executed by order of its governing body. If no successor fiscal agent shall have been so appointed and have accepted appointment within 60 days after such notice of resignation, the resigning fiscal agent may petition any court of competent jurisdiction for the appointment of a successor fiscal agent. Such court may thereupon, after such notice, if any, as it may deem proper and prescribes, appoint a successor fiscal agent. The resignation of the fiscal agent shall take effect only upon appointment of a successor fiscal agent and such successor fiscal agent's acceptance of such appointment.

(ii) The Fiscal Agent may also be removed by the Municipality at any time upon not less than 60 days' written notice. Such removal shall take effect upon the appointment of a successor fiscal agent and such successor fiscal agent's acceptance of such appointment.

(iii) Any successor fiscal agent shall execute, acknowledge and deliver to Municipality and to its predecessor fiscal agent an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor fiscal agent shall become effective and such successor fiscal agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor, with like effect as if originally named as fiscal agent herein; but nevertheless, on written request of Municipality, or on the request of the successor, the fiscal agent ceasing to act shall execute and deliver an instrument transferring to such successor fiscal agent all the rights, powers, and trusts of the fiscal agent so ceasing to act. Upon the request of any such successor fiscal agent, Municipality shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor fiscal agent all such rights, powers and duties. Any predecessor fiscal agent shall pay over to its successor fiscal agent any funds of the Municipality.

(iv) Any corporation, association or agency into which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor fiscal agent under this Agreement and vested with all the trusts, powers, discretions, immunities and privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(v) Any successor fiscal agent shall be qualified pursuant to Sec. 67.10(2), Wisconsin Statutes, as amended.

(c) Termination. This Agreement shall terminate on the earlier of (i) the payment in full of all of the principal and interest on the Obligations to the registered owners of the Obligations or (ii) five years after (aa) the last principal payment on the Obligations is due (whether by maturity or earlier redemption) or (bb) the Municipality's responsibilities for payment of the Obligations are fully discharged, whichever is later. The parties realize that any funds hereunder as shall remain upon termination shall, except as may otherwise by law, be turned over to the Municipality after deduction of any unpaid fees and disbursements of Fiscal Agent or, if required by law, to such officer, board or body as may then be entitled by law to receive the same. Termination of this Agreement shall not, of itself, have any effect on

Municipality's obligation to pay the outstanding Obligations in full in accordance with the terms thereof.

(d) Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement, being duly authorized so to do, each in the manner most appropriate to it, on the date first above written.

CITY OF STURGEON BAY, DOOR
COUNTY, WISCONSIN

By _____
Thad Birmingham
Mayor

(SEAL)

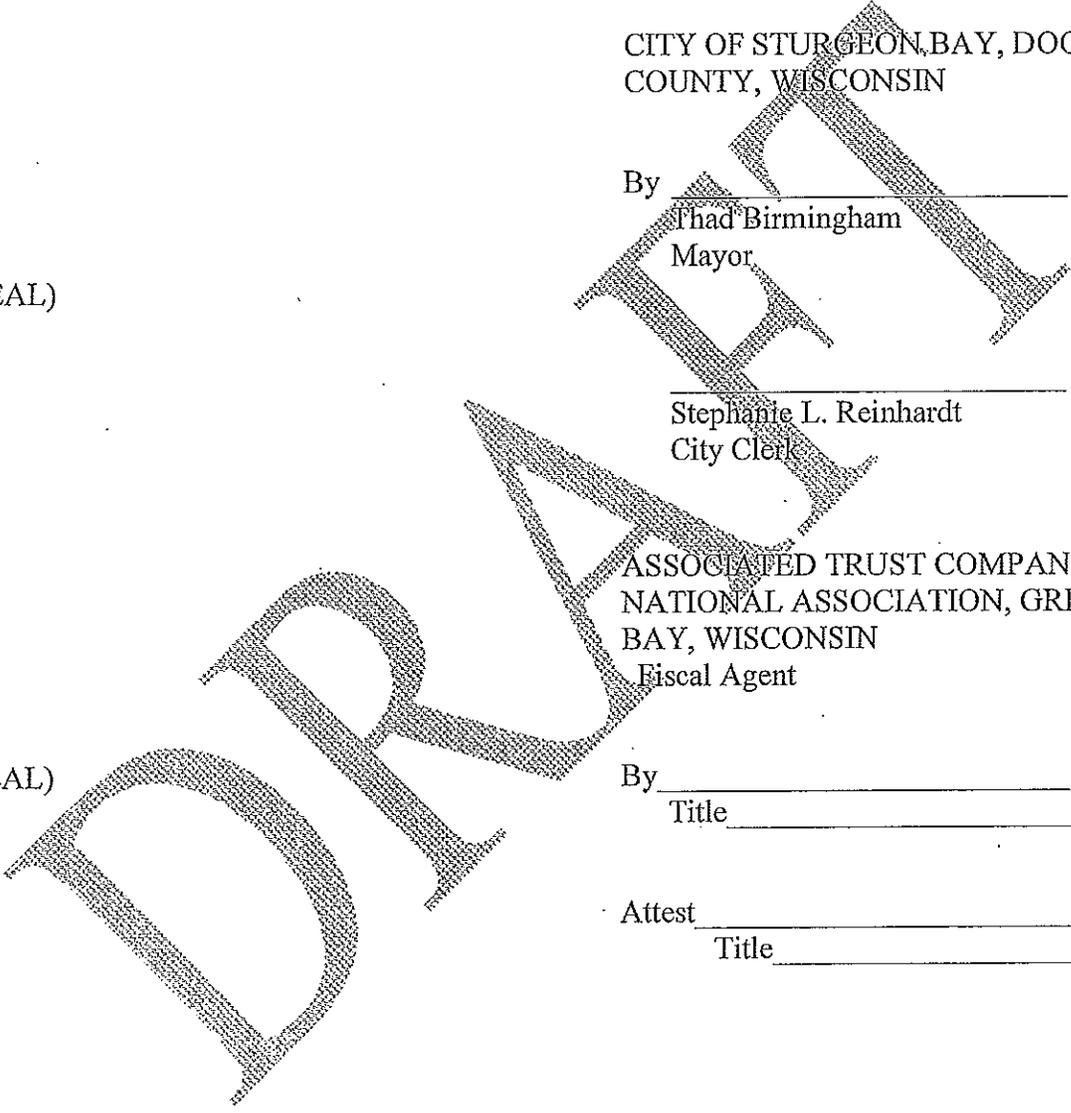
Stephanie L. Reinhardt
City Clerk

ASSOCIATED TRUST COMPANY,
NATIONAL ASSOCIATION, GREEN
BAY, WISCONSIN
Fiscal Agent

(SEAL)

By _____
Title _____

Attest _____
Title _____



SCHEDULE A

Debt Service Schedule
\$2,820,000 General Obligation Refunding Bonds
of the City of Sturgeon Bay, Wisconsin
dated July 5, 2012

(SEE ATTACHED)

DRAFT

[SCHEDULE MRP

Mandatory Redemption Provision

The Obligations due on October 1, ____, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on October 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on October 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on October 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on October 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on October 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)]

[SCHEDULE B

NOTICE OF MANDATORY SINKING FUND REDEMPTION*

City of Sturgeon Bay, Wisconsin
General Obligation Refunding Bonds
Dated July 5, 2012

NOTICE IS HEREBY GIVEN that a portion of the Bonds of the above-referenced issue which mature on October 1, 20__ shall be subject to mandatory sinking fund redemption on October 1 of the year set forth below, in the amount set forth below at a redemption price equal to One Hundred Percent (100%) of the principal amount redeemed plus accrued interest to the date of redemption.

Redemption Date Principal Amount CUSIP Number

October 1, ____ \$ _____

Such portion of the Bonds will cease to bear interest on the redemption date set forth above.

BY THE ORDER OF THE
COMMON COUNCIL

CITY OF STURGEON BAY, WISCONSIN

Dated: _____

DRAFT

* To be provided by registered or certified mail, facsimile transmission, overnight express delivery or electronic transmission to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 55 Water Street, 50th Floor, New York, New York 10041-0099, not less than thirty (30) days nor more than sixty (60) days prior to the call date. At least thirty (30) days prior to the call date notice shall also be provided to the Municipal Securities Rulemaking Board.]

SCHEDULE [B/C]

(See Attached)

DRAFT

EXHIBIT G TO RESOLUTION

NOTICE OF FULL CALL*

CITY OF STURGEON BAY
DOOR COUNTY, WISCONSIN
\$1,260,000 GENERAL OBLIGATION REFUNDING BONDS
DATED APRIL 1, 2002

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called for prior payment on July 6, 2012 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
04/01/2015	\$210,000	4.55%	864048FH1
04/01/2018	235,000	4.75	864048FJ7
04/01/2021	290,000	4.90	864048FK4

Upon presentation and surrender of said Bonds to Associated Trust Company, National Association, the registrar and fiscal agent for said Bonds, the registered owners thereof will be paid the principal amount of the Bonds plus accrued interest to the date of prepayment.

Said Bonds will cease to bear interest on July 6, 2012.

By Order of the
Common Council
City of Sturgeon Bay
City Clerk

Dated _____

* To be provided to Associated Trust Company, National Association at least thirty-five (35) days prior to July 6, 2012. The registrar and fiscal agent shall be directed to give notice of such prepayment by registered or certified mail, or overnight express delivery to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 55 Water Street, 50th Floor, New York, NY 10041-0099, not less than thirty (30) days nor more than sixty (60) days prior to July 6, 2012 and to the MSRB. Notice shall also be provided to MBIA Insurance Corporation, or any successor, the bond insurer of the Bonds.

In addition, if the Bonds are subject to the continuing disclosure requirements of SEC Rule 15c2-12 effective July 3, 1995, this Notice should be filed electronically with the MSRB through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

STURGEON BAY COMMON COUNCIL
Resolution for Payment of Property Tax Equivalent
And Annual Appropriation

WHEREAS, The Sturgeon Bay Utilities is a municipal utility owned by the City of Sturgeon Bay and operating sewer utility, water utility, and electric utility operations;

AND WHEREAS, in 1994 the City of Sturgeon Bay adopted a property tax equivalent payment payable by the Sturgeon Bay utilities based upon the 1994 value of the property of the Sturgeon Bay Utilities,

AND WHEREAS, in 2002 the City of Sturgeon Bay adopted an annual appropriation to be paid from the Sturgeon Bay Water and Sewer Utilities in the sum of \$315,832 to the City of Sturgeon Bay;

AND WHEREAS, the annual payment made by the Sturgeon Bay Water Utility to the City is calculated based on the property tax equivalent method under Wisconsin Statutes;

AND WHEREAS, the difference between the amounts calculated using the property tax equivalent method under Wisconsin Statutes and the \$315,832 appropriation from the water and sewer utilities is paid to the City of Sturgeon Bay;

AND WHEREAS, the annual appropriation to be paid from the Sturgeon Bay Electric Utility is \$324,001;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Sturgeon Bay as follows:

1. The annual payment to be made by the Sturgeon Bay Water, Sewer and Electric Utility's to the City will be the greater of the calculated amount based upon the 1994 assessed value of the taxable assets of the Sturgeon Bay Utilities which equates to an annual payment in the amount of \$639,833, or the calculated amount based upon the assessed value of the taxable assets of the Sturgeon Bay Utilities of January 1st of each year as per the property tax equivalent method under Wisconsin Statutes. *(The tax equivalent payment is calculated by multiplying the Sturgeon Bay Utilities assessed value of taxable assets as of January 1 each year by the applicable mill rates for the City of Sturgeon Bay, Sturgeon Bay School District and NWTC and an allocation of the property tax credit.)*
2. The application of this resolution is retroactive to December 31, 2011.

EXECUTIVE SUMMARY

TITLE: Sturgeon Bay Utility (SBU) PILOT

BACKGROUND: In 2002 by resolution of the City Council the tax equivalent payment from SBU was fixed at an annual amount of \$639,833 (\$315,832 was allocated from the water and sewer utility and \$324,001 was allocated from the electric utility)

As of December 31, 2010, if the PILOT payment were to be calculated based on current year valuations and tax rates the amount payable to the City from SBU would increase over and above the amount established in the City's 2002 PILOT resolution. As a result, please find the attached proposed resolution which establishes the 1994 tax equivalent calculation (As per Wisconsin Statutes the 1994 has been established as the floor for all municipal owned utilities) as the "floor" from this point forward, and effectively allows the City to accept either the greater of the "floor" or the calculated amount based upon current assessed values and tax rates.

(Note: The tax equivalent payment is calculated by multiplying the Sturgeon Bay Utilities assessed value of taxable assets as of January 1 each year by the applicable mill rates for the City of Sturgeon Bay, Sturgeon Bay School District and NWTC and an allocation of the property tax credit.)

The SBU Commission considered the PILOT payment at their April 9, 2012 meeting. Please refer to the attached minutes for the action taken.

FISCAL IMPACT: Adopting the attached resolution retroactive to December 31, 2011 will create a positive fiscal impact on the General Fund of the City in the amount of \$68,556 for the 2012 collection year. Projections indicate that payments above the 1994 "floor" amount will continue for at least the medium term future.

OPTIONS:

- 1) Approve the attached resolution re: Payment of Property Tax Equivalent and Annual Appropriation retroactive to December 31, 2011
- 2) Approve the attached resolution re: Payment of Property Tax Equivalent and Annual Appropriation beginning December 31, 2012
- 3) Do not approve the attached resolution in regard to the payment of property tax equivalent and annual appropriation which would effectively freeze the annual PILOT payment to the City from the Sturgeon Bay Utilities in the amount of \$639,833.

RECOMMENDATION:

Approve the attached resolution re: Payment of Property Tax Equivalent and Annual Appropriation retroactive to December 31, 2011

PREPARED BY: Valerie J. Clarizio 5/3/12
Valerie J. Clarizio Date
Finance Director/City Treasurer

APPROVED BY: Stephen McNeil 5/3/2012
Stephen McNeil Date
City Administrator

STURGEON BAY UTILITIES
Regular Meeting
April 9th, 2012

President Stewart Fett called the regular meeting of the Utilities Commission to order at 5:32 p.m. at the Sturgeon Bay Utilities office. Roll call: President Stewart Fett, Vice-President Bernard Ellenbecker, Secretary Gary DeNamur, Mayor Thad Birmingham and Commissioner David Phillips were present. Commissioners James Abeyta and Matt Felhofer entered later as indicated. Also present were General Manager James Stawicki, Operations Manager Cliff White and Electric Supervisor Jason Bieri.

A request to move item #12 to #14a was made. Phillips/DeNamur to adopt the amended agenda (complete copy on file at the Utility office). Motion carried.

Ellenbecker/DeNamur to approve the minutes of the regular meeting held on March 12th, 2012. Motion carried.

Commissioner Abeyta entered at 5:35 p.m.

Next was presentation to James Abeyta in appreciation of 4 years of service and dedication to the SBU Commission and the customers of SBU.

The Commission proceeded to review the bills for March in the amount of \$2,150,175.38. Fett/Abeyta to approve payment of the bills. Motion carried.

The February 2012 financials were presented. Abeyta/Phillips to accept the financials subject to audit. Motion carried.

General Manager Stawicki reported on the current investments and their allocations. In an effort to reestablish SBU's CD ladder, \$500,000.00 was transferred from Baylake Bank to Raymond James, earning a rate of return of 50 to 65 basis points. No formal action was taken.

Next item of business was consideration of ATC voluntary capital call. The contribution of \$18,273 is due on April 30th, 2012. DeNamur/Ellenbecker to approve the ATC contribution of \$18,273 on April 30th, 2012. Motion carried.

The next item of business was the consideration of lease with Bay Shipbuilding/Fincantieri Marine Group. Bay Shipbuilding is requesting extension of their lease for the space adjacent to and above SBU's well house at the corner of 3rd Avenue and Florida Street. Birmingham/Abeyta to approve the extension of the lease with Bay Shipbuilding in the amount of \$1,298.43 for 2012/2013. Motion carried with President Fett abstaining.

Consideration of tax equivalent recommendation was the next item of business. During the March Commission meeting, Commissioners discussed the annual tax equivalent payment made to the City. The amount of the payment has been fixed at \$639,833 since 2002. Removing the ceiling results in additional tax equivalent payment in 2012 of \$68,556. Abeyta/DeNamur to approve the recommendation to City Council to remove the ceiling from the resolution. Motion carried. Mayor Birmingham will bring the recommendation to the City Council for revision.

Next was consideration of athletic field lighting consultant. After reviewing multiple references, SBU staff is awaiting a final proposal from Muermann Engineering for the design, RFP's and drawings for the lighting at Memorial Field and PBI Field. The final proposal will be forwarded to Commission members when received. If Commission members have no objections, the General Manager is authorized to approve the contract with

Muermann. Mayor Birmingham suggested including West Side Field in this project now instead of in the future, saving time and money. Funding for this design and engineering effort is provided through WPPI Energy.

Commissioner Felhofer entered at 6:04 p.m.

Consideration of sanitary sewer manhole assessment was the next item of business. In the spring of 2011, SBU conducted an initial evaluation of the sanitary sewer collection system by monitoring the flows in the system basins. Data identified manholes as potentially significant sources of inflow and infiltration, resulting in the recommendation for a comprehensive inspection of these structures. From this data, SBU will develop a schedule and budget for completing the manhole repairs and/or replacements. It is intended that the manhole assessments be conducted over the next two years, with the west side in 2012 and the east side in 2013. Due to their expertise and qualifications, staff requested and received a proposal from Strand Associates, Inc to complete the assessments on the west side (512 manholes) in the amount of \$24,500.00. Birmingham/Allenbecker to approve the proposal from the Strand Associates, Inc in the amount of \$24,500.00. Motion carried.

Next item of business was council members update on issues. Commissioner Felhofer asked Council representatives to update the Commission on the recent action of changing the governance ordinance as it relates to the Utility Commission and to clarify the issues that were discussed at the April 3rd, 2012 City Council meeting. President Fett provided Commission members with the proposed Municipal Utilities Code ordinance, which changes the makeup of the current Commission to the mayor, three alderpersons and three citizen representatives. Mayor Birmingham stated that the ordinance change is intended to enhance communications and the "general control and supervision" of the Utility Commission by the City Council. The Mayor expresses a strong desire for SBU to provide greater focus on "taxpayer" needs as opposed to "ratepayer" needs. The Mayor first became concerned with SBU's ratepayer-centric focus during the Canal Property sale deliberations about three years ago. He continues to feel that the property should never have been sold, and that the Utility's role in the decision-making process should have been far more limited. Commissioner Felhofer asked Commissioner Abeyta to clarify certain statements he had previously made regarding "withholding of information" from both the Utility Commission and the City Council. Commissioner Abeyta suggested that his concerns be discussed in a future closed session. The possibility was left open by the Commission. Commissioner DeNamur wanted to know why the Utility Commission wasn't made aware of issues before the City Council meeting. Commissioner Phillips felt that adding an additional alderperson and removing a citizen representative would be detrimental to the Commission due to the loss of experience and the likelihood of greater turnover of Council representatives due to the shorter term for these individuals. No action was taken as a result of these discussions.

Operations report was presented by Operations Manager White. Abeyta/Phillips to accept the Operations Report for March. Motion carried.

The next item of business was the General Manager's report.

- a. Adjustments for the month
- b. Update on projects
 1. DCEDC Annual Investor's Luncheon
 2. Employee handbook
 3. Meeting times – the May through October meetings will be held at 7:00 p.m.
 4. Public Fire Protection – on utility bills as of April 1st, 2012
 5. Street lights – list to be distributed to CP & S once finished

DeNamur/Abeyta to adjourn. Motion carried. The meeting adjourned at 7:18 p.m.

Approved for publication:

Stewart Fett
President

Date: _____

Gary DeNamur
Secretary

James Stawicki
General Manager

Date: _____