



**CITY OF STURGEON BAY COMMON COUNCIL AGENDA  
TUESDAY, MAY 6, 2014  
7:00 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: National Safe Boating Week.
6. Consideration of the following bills: General Fund – \$85,549.50, Capital Fund - \$10,524.63, Cable TV - \$4,997.92, and Solid Waste Enterprise Fund - \$447.08 for a grand total of \$101,519.13. [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 the 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 4/15/14 regular and 4/23/14 special Common Council minutes.

\* b. Approval of the following minutes:

- (1) Finance/Purchasing & Building Committee – 4/8/14
- (2) Community Protection & Services Committee – 4/16/14
- (3) City Plan Commission – 4/16/14
- (4) Waterfront Redevelopment Authority – 4/21/14
- (5) Zoning Board of Appeals – 4/28/14

\* c. Place on file the following reports:

- (1) Police Department Report – March 2014
- (2) Bank Statement – December 2013
- (3) Financial Report – December 2013
- (4) Bank Statement – March 2014
- (5) Financial Report – March 2014

\* d. Consideration of: Beverage Operator licenses.

\* e. Consideration of: Six Month Class B Beer license for Aloha Classic, Inc.

\* f. Consideration of: Temporary Class B Beer licenses for Volunteer Center of Door County, Sturgeon Bay Open Bass Tournament, and Sturgeon Bay Visitor Center.

\* g. Consideration of: Temporary Class B Beer license and Temporary Class B Wine license for Side Pork Fest.

- \* h. Consideration of: Combination Class B Beer & Class B Liquor license surrender from Neighborhood Pub, Inc. to John Martin Restaurant of Door County, LLC contingent upon license being issued to named applicant.
  - \* i. Consideration of: Street Closure Application from Side Pork Fest.
  - \* j. Finance/Purchasing & Building Committee recommendation re: Repeal and recreate Section 3.05 of the City of Sturgeon Bay Municipal Code – Budget.
  - \* k. Finance/Purchasing & Building Committee recommendation re: Renew contract with Milliman to provide GASB 45 Actuarial Valuation services for the City in the amount of \$7,000 from January 1, 2014 – December 31, 2016.
  - \* l. Finance/Purchasing & Building Committee recommendation re: Contract with Ehlers & Associates, Inc. to provide arbitrage monitoring services for the City for the \$5,420,000 bond issue dated December 30, 2013 with the option of contracting with Ehlers & Associates, Inc. for arbitrage monitoring services for future bond issues.
  - \* m. Finance/Purchasing & Building Committee recommendation re: Repeal Section 30.02, accommodations tax, distribution of revenue of the City of Sturgeon Bay.
  - \* n. Finance/Purchasing & Building Committee recommendation re: Accept the Schenck Government & Non-For-Profit Solutions 2013 Financial Audit Report for the City of Sturgeon Bay and place on file.
  - \* o. Community Protection and Services recommendation re: Pull the April, 2013 recommendation amending the City’s Electrical Code regarding local licensing of electricians.
8. First reading of ordinance re: Repeal and recreate Section 3.05 of the Municipal Code – Budget.
  9. First reading of ordinance re: Repeal Section 30.02, Accommodations Tax, Distribution of Revenue of the Municipal Code.
  10. Consideration of: Bid award for Michigan Street Surfacing.
  11. Committee Chairperson Reports:
    - a. City Plan Commission
    - b. Finance/Purchasing & Building Committee
    - c. Park & Recreation Committee
  12. Public comment on non-agenda items.
  13. Mayor’s comments.
  14. Adjourn.

NOTE: DEVIATION FROM THE AGENDA ORDER SHOWN MAY OCCUR.

Posted:

Date: 5-2-14

Time: 12:00pm

By: JM

6.

INVOICES DUE ON/BEFORE 05/06/2014

6.

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
GENERAL FUND				
LIABILITIES				
07901	DC HABITAT FOR HUMANITY	HABITAT/50-008-13 PRMT REF	01-000-000-23160	400.00
19326	SOIL SPECIALIST	SOIL SPEC/REF 50-028-13	01-000-000-23160	1,036.00
19326		SOIL SPEC/50-021-13 PRMT REF	01-000-000-23160	794.00
R0000750	GREEN COURTE	OVERPAYMENT MARCH 14 MHT	01-000-000-41300	48.03
R0001140	AT&T	AT&T/50-027-13 PERMIT REF	01-000-000-23160	330.00
R0001140		AT&T/50-015-13 PRMT REF	01-000-000-23160	229.60
TOTAL LIABILITIES				2,837.63
TOTAL GENERAL FUND				2,837.63
MAYOR				
FIRST	FIRST NATIONAL BANK OF OMAHA	DCEDC LUNCHEON	01-100-000-55600	66.00
TOTAL				66.00
TOTAL MAYOR				66.00
CITY COUNCIL				
FIRST	FIRST NATIONAL BANK OF OMAHA	DCEDC LUNCHEON	01-105-000-55600	33.00
TOTAL				33.00
TOTAL CITY COUNCIL				33.00
LAW/LEGAL				
16555	PINKERT LAW FIRM, LLP	MARCH 14 TRAFFC MATTERS	01-110-000-55010	1,375.00
TOTAL				1,375.00
TOTAL LAW/LEGAL				1,375.00
CITY CLERK-TREASURER				
03767	STAPLES ADVANTAGE	COPY PAPER/INK/LABELS/PENS	01-115-000-51950	383.52
17700	QUILL CORPORATION	CYAN TONER	01-115-000-51950	107.99
FIRST	FIRST NATIONAL BANK OF OMAHA	WMCA DISTRICT MTG/REINHARDT	01-115-000-55600	28.00
FIRST		HOTEL	01-115-000-55600	70.00
FIRST		MEALS	01-115-000-55600	17.25
FIRST		DCEDC LUNCHEON	01-115-000-55600	66.00
TOTAL				672.76
TOTAL CITY CLERK-TREASURER				672.76
ADMINISTRATION				
19841	ROTARY CLUB OF STURGEON BAY	MCNEIL/2ND QTR ROTARY DUES	01-120-000-56000	187.00

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
<b>GENERAL FUND</b>				
FIRST	FIRST NATIONAL BANK OF OMAHA	MEALS	01-120-000-55600	62.30
FIRST		PARKING	01-120-000-55600	6.00
FIRST		FUEL	01-120-000-55600	57.02
FIRST		DCEDC LUNCHEON	01-120-000-56650	33.00
TOTAL				345.32
TOTAL ADMINISTRATION				345.32
<b>COMPUTER</b>				
03101	CDW GOVERNMENT, INC.	3 USB PORT HUBS	01-125-000-51950	42.57
TOTAL				42.57
TOTAL COMPUTER				42.57
<b>CITY ASSESSOR</b>				
ASSO APP	ASSOCIATED APPRAISAL	05/06/14 CONTRACT	01-130-000-55010	1,245.83
TOTAL				1,245.83
TOTAL CITY ASSESSOR				1,245.83
<b>MUNICIPAL SERVICES ADMIN.</b>				
03075	CARQUEST OF DOOR COUNTY	BRAKE REPAIR SUPPLIES	01-145-000-56250	346.75
03075		CORE RETRN/ FRICTION CALIPERS	01-145-000-56250	-158.00
TOTAL				188.75
TOTAL MUNICIPAL SERVICES ADMIN.				188.75
<b>PUBLIC WORKS ADMINISTRATION</b>				
03133	CELLCOM WISCONSIN RSA 10	04/14 STREETS CELL SERV	01-150-000-58250	13.45
03133		04/14 BOB B CELL SERV	01-150-000-58250	48.61
22800	WALMART COMMUNITY	STICKERS	01-150-000-51950	3.36
22800		OFFICE SUPPLIES	01-150-000-51950	8.44
FIRST	FIRST NATIONAL BANK OF OMAHA	DCEDC LUNCHEON/SHEFCHIK	01-150-000-55600	33.00
TOTAL				106.86
TOTAL PUBLIC WORKS ADMINISTRATION				106.86
<b>ELECTIONS DEPARTMENT</b>				
22800	WALMART COMMUNITY	PENS & BATTERIES	01-155-000-54999	9.71
TOTAL				9.71

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
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GENERAL FUND				
TOTAL ELECTIONS DEPARTMENT				9.71
CITY HALL				
05500	ENERGY CONTROL AND DESIGN INC	VALVE ACTUATOR/CITY HALL	01-160-000-54999	161.68
05500		REMOV & REPLCE FAN MTR HVAC	01-160-000-58999	1,053.36
23730	WPS	CITY HALL	01-160-000-56600	2,916.38
MID STAT	MSS-DEPERE	URINAL REPAIR PARTS	01-160-000-54999	84.24
TOTAL				4,215.66
TOTAL CITY HALL				4,215.66
INSURANCE				
BH	BURKART HEISDORF INSURANCE	AMEND PROP VALUES	01-165-000-57350	573.00
TOTAL				573.00
TOTAL INSURANCE				573.00
GENERAL EXPENDITURES				
04696	DOOR COUNTY TREASURER	1ST QTR PHNE	01-199-000-58200	493.95
04696		1ST QTR VOICEMAIL	01-199-000-58200	166.05
15890	PACK AND SHIP PLUS	RETURN SHIPPING	01-199-000-57250	9.72
16590	PITNEY BOWES	2 INK CARTRIDGES	01-199-000-57250	122.38
BUBRICKS	BUBRICK'S COMELETE OFFICE	5 CTN COPY PAPER	01-199-000-55650	137.50
FIRST	FIRST NATIONAL BANK OF OMAHA	CRDT PREVIOUS MONTH INTEREST	01-199-000-51520	-10.16
STAPLES	WISCONSIN DOCUMENT IMAGING LLC	MAINT AGREE 2ND FLR COPY/C4540	01-199-000-55650	665.00
STAPLES		MAINT AGREEMNT C/T COPY C9145	01-199-000-55650	1,600.00
TOTAL				3,184.44
TOTAL GENERAL EXPENDITURES				3,184.44
POLICE DEPARTMENT				
20081	TARGET BANK	2-USB CABLES/ELECTRONICS	01-200-000-55500	45.56
C JEANQ	CANDY JEANQUART	JEANQRT/MEAL REIMB EXCEL CLASS	01-200-000-55600	10.34
CUSTOM	CUSTOM SERVICE INFORMATION LLC	POLICY WRITING SERVICES	01-200-000-51600	750.00
FIRST	FIRST NATIONAL BANK OF OMAHA	DCEDC LUNCHEON/BRINKMAN	01-200-000-55600	33.00
FIRST		2-CISCO WIRELESS ROUTERS	01-200-000-55500	399.90
SPUDE	SARAH SPUDE-OLSON	S OLSON MEAL REIMB/ EXCEL TRN	01-200-000-55600	13.20
US BANK	US BANK EQUIPMENT FINANCE	RICOH COPIER PMT #16 OF 36	01-200-000-55650	181.00
TOTAL				1,433.00
TOTAL POLICE DEPARTMENT				1,433.00

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
POLICE DEPARTMENT/PATROL				
01550	BP AMOCO	BAL DUE TO UNLOCK ACCT	01-215-000-51650	10.72
02208	BAYCOM INC.	LAPTOP MAINT & REFORMAT	01-215-000-58999	1,380.14
02208		MDB REPAIR	01-215-000-58999	55.00
03133	CELLCOM WISCONSIN RSA 10	04/14 CELL SERVICE	01-215-000-58250	738.16
03133		04/14 SQUAD PRINTERS	01-215-000-58999	311.46
03134	CELLCOM-STURGEON BAY STORE	USB DONGLE MODEM	01-215-000-58250	29.95
04696	DOOR COUNTY TREASURER	MARCH FUELCHG 1712.64 @ 3.2930	01-215-000-51650	5,639.72
14875	NWTC GREEN BAY	SFST CLASS/ZAGER & HOUGAARD	01-215-000-55600	190.00
19880	STURGEON BAY UTILITIES	SUNSET PK BT LAUNCH	01-215-000-56150	11.49
19880		NAUTICAL DR CAMERA WWTP	01-215-000-56150	10.84
20725	T R COCHART TIRE CENTER	4 TIRES/ CAPT VEHICLE	01-215-000-58600	336.04
23645	WISCONSIN DEPT JUSTICE TIME	TIME SYSTEM ACC. APRL-JUNE '14	01-215-000-58999	370.50
25650	GREG ZAGER	ZAGER MEALS/ CELLPHNE WK	01-215-000-55600	8.40
25650		ZAGER MEAL REIB/ MISS CHILD	01-215-000-55600	10.90
25650		ZAGER MEAL REIMB/MINDSET TRNIN	01-215-000-55600	15.91
HOUGAARD	CHAD HOUGAARD	HOUGRD/MEAL REIMB MNDSET TRN	01-215-000-55600	20.47
HOUGAARD		HOUGAARD MEAL REIMB	01-215-000-55600	11.51
MODERN	MODERN MARKETING	NITRILE GLOVES (LG/XL)	01-215-000-54999	82.52
NELSON	NELSON TACTICAL	AMMUNITION	01-215-000-51050	326.08
NELSON		SHIPPING	01-215-000-51050	15.00
PELL	DAN PELLIZZER	PELLIZER/MEAL REIMB MNDSET TRN	01-215-000-55600	17.85
R0000048	SHELL FLEET PLUS	CREDIT FED EXCISE TAX	01-215-000-51650	-6.07
R0000048		OUT OF TOWN FUEL	01-215-000-51650	43.03
R0000048		OUT OF TOWN FUEL	01-215-000-51650	34.89
R0000048		OUT OF TOWN FUEL	01-215-000-51650	42.00
R0000608	AUTO ZONE, INC	2 ARMOR AUTO GLASS CLEANER	01-215-000-58550	8.54
WSUG	WISCONSIN SPLILMAN USER GROUP	2014 WSUG DUES/SUBORD AGENCY	01-215-000-58999	50.00
TOTAL				9,765.05
TOTAL POLICE DEPARTMENT/PATROL				9,765.05
POLICE DEPT. / INVESTIGATIONS				
RDJ SPEC	RDJ SPECIALTIES, INC.	ASSORTED SBPD COLOR BOOKS	01-225-000-57950	550.48
TOTAL				550.48
TOTAL POLICE DEPT. / INVESTIGATIONS				550.48
FIRE DEPARTMENT				
03075	CARQUEST OF DOOR COUNTY	OIL FILTERS	01-250-000-53000	244.37
03075		FUEL FILTER	01-250-000-53000	4.35
03075		AIR FILTER/UNIT #5	01-250-000-53000	8.02
03075		RETURN AIR FILTER	01-250-000-53000	-4.08
03075		BULB	01-250-000-53000	1.11
03075		FUEL FILTER	01-250-000-53000	9.35
03075		FUEL PUMP RETURN	01-250-000-53000	-4.89
03075		BRAKE TUBING & PARTS	01-250-000-53000	43.76
03166	MIKE CIHLAR	2 UNIFORM SHIRTS	01-250-000-52900	26.00
04150	DE JARDIN CLEANERS LLC	REPAIR TURN OUT GEAR	01-250-000-54999	7.00
04520	DOOR AND KEWAUNEE COUNTY	2014 ANNUAL DUES	01-250-000-56000	25.00
04696	DOOR COUNTY TREASURER	MARCH FUEL	01-250-000-51650	1,369.10

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
06012	FASTENAL COMPANY	RATCHET STRAPS	01-250-000-51350	88.61
06012		STRAPS	01-250-000-51350	38.79
14000	NAPA AUTO PARTS	GREASE & BRAKELEEN	01-250-000-53000	23.07
17250	QUALITY STATE OIL CO., INC.	OIL	01-250-000-53000	732.72
17700	QUILL CORPORATION	PRINTER CARTRIDGE	01-250-000-51950	75.59
18448	RENNERTS FIRE EQUIP SER INC	AUTO EJECT /UNIT #5	01-250-000-53000	268.36
19880	STURGEON BAY UTILITIES	MEM FLD SPRINKLER	01-250-000-56675	42.00
19880		MEM FLD WARM HOUSE	01-250-000-56675	42.00
19880		835 N 14TH AVE SALT SHED	01-250-000-56675	5.20
19880		835 N 14TH AVE CITY GARAGE	01-250-000-56675	42.00
19880		N 7TH PLACE GARLAND PARK	01-250-000-56675	5.20
19880		DUCK POND	01-250-000-56675	5.20
19880		SUNSET CNTR/NEW CONC	01-250-000-56675	42.00
19880		FRANK GRASSE MEM SHELTER	01-250-000-56675	13.00
19880		OTUMBA PARK	01-250-000-56675	5.20
19880		WEST SIDE WARMING HOUSE	01-250-000-56675	5.20
19880		WEST SIDE FIRE STATION	01-250-000-56675	42.00
19880		WEST SIDE FIRE STATION	01-250-000-56150	88.90
19880		WEST SIDE FIRE STATION	01-250-000-58650	117.06
19880		38 S NEENAH AVE PAVILLION	01-250-000-56675	5.20
19880		38 S NEENAH AVE RSTRM	01-250-000-56675	26.00
19880		JAYCEES BALLEFLD STAND	01-250-000-56675	13.00
19880		MICH ST JC BALLFLD SPRINKLE	01-250-000-56675	42.00
19880		WEST SIDE BALL FIELD LITES	01-250-000-56675	5.20
19880		GIRLS LITTLE LEAGUE	01-250-000-56675	42.00
19880		FIRE PROTECTION	01-250-000-56675	8,720.75
19880		916 N 14TH WARNING SIREN	01-250-000-56150	8.24
19880		QUINCY BAY SHIP PIT	01-250-000-56675	42.00
19880		COVE RD/CANAL RD SIREN	01-250-000-56150	13.99
19880		SUNSET PK STAR PLANT	01-250-000-56675	42.00
19880		835 N 14TH AVE SIGN SHED	01-250-000-56675	5.20
19880		CHERRY BLOSSM PK	01-250-000-56675	13.00
19880		CLAY BANKS SIREN	01-250-000-56150	15.82
20725	T R COCHART TIRE CENTER	TIRE REPAIR	01-250-000-53000	20.00
22800	WALMART COMMUNITY	WASH FLUID/FERTILIZER/MOP	01-250-000-54999	190.53
23730	WPS	W SIDE FIRE 656 S OXFORD AVE	01-250-000-56600	308.18
FIRST	FIRST NATIONAL BANK OF OMAHA	WIPER SWITCH TANKER 1	01-250-000-53000	207.93
FIRST		SHIPPING ON GATOR	01-250-000-53000	650.00
FIRST		MUFFLER, SWITCH & RELAY	01-250-000-53000	333.46
FIRST		SHOCK SPRINGS/2 TIRES	01-250-000-53000	271.84
FIRST		TIRE UPGRADE	01-250-000-53000	41.60
FIRST		FOOD/ BURN TRAINING	01-250-000-55600	54.46
FIRST		HOTEL/HERLACHE/GOV CONF	01-250-000-55600	77.70
FIRST		MEALS/ HERLACHE/GOV CONF	01-250-000-55600	17.24
LADDER	LADDER TECHNOLOGIES, LTD.	LADDER HEAT LABELS	01-250-000-56250	219.54
MED TECH	MED-TECH RESOURCE INC.	STETHOSCOPES	01-250-000-51350	35.18
RE	JOMAR INVESTMENTS, INC	BRAKE DRUM & PADS	01-250-000-53000	344.92
US CELL	US CELLULAR	INSPECTION AIR CARDS	01-250-000-58250	48.32
UST FIRE	UST FIRE APPARATUS	2 VALVUE KITS	01-250-000-53000	454.02
WARNER	WARNER-WEXEL WHOLESALE &	HAND TOWELS	01-250-000-54999	128.94
WARNER		GO JO HANDCLEANER	01-250-000-54999	82.65
TOTAL				15,892.10
TOTAL FIRE DEPARTMENT				15,892.10

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
<b>GENERAL FUND</b>				
<b>STORM SEWERS</b>				
12100	LAMPERT YARDS INC	TREAT LUMBER/STRWBRRY LN WALK	01-300-000-54999	199.65
12100		TREAT LUMBER/ STRWBRRY LN WALK	01-300-000-54999	12.38
12100		TREAT LUMBER/STRWBRRY LNE WALK	01-300-000-54999	108.34
GB HIGH	GREEN BAY HIGHWAY PRODUCTS LLC	120 24" ALUMINZED CMP/STRW LN	01-300-000-51150	2,478.00
GB HIGH		3 24" BANDS/ STRW LN	01-300-000-51150	61.95
GB HIGH		6 24" END WALL/STRW LN	01-300-000-51150	694.26
SEPTIC	SEPTIC MAINTENANCE OF DOOR CTY	JET STRM SEWER LINE	01-300-000-51150	1,627.50
TOTAL				5,182.08
TOTAL STORM SEWERS				5,182.08
<b>SOLID WASTE MGMT/SPRING/FALL</b>				
18500	R N O W INC	CLUTCH SET	01-311-000-56250	114.00
PALMER	PALMER JOHNSON POWER SYSTEMS	CLTCH SHFT, KEYWAYS, BEARING/44	01-311-000-53000	500.00
PALMER		CLTCH SHFT, KEYWAYS, BEAR/44	01-311-000-56250	68.06
TOTAL				682.06
TOTAL SOLID WASTE MGMT/SPRING/FALL				682.06
<b>STREET SWEEPING</b>				
02844	BRUCE MUNICIPAL EQUIPMENT INC	A/C SWITCH / #16	01-330-000-51400	58.45
03075	CARQUEST OF DOOR COUNTY	AIR & HI-POP OIL FLTRS/SWP 16	01-330-000-51400	37.43
25700	ZARNOTH BRUSH WORKS INC	2 PIVOT BUSHINGS	01-330-000-51400	169.50
25700		2 PIVOT WELDMENTS	01-330-000-51400	359.80
25700		2 SEALS	01-330-000-51400	57.90
25700		4 BEARINGS	01-330-000-51400	99.80
25700		4 BEARING CUP	01-330-000-51400	54.00
TOTAL				836.88
TOTAL STREET SWEEPING				836.88
<b>ROADWAYS/STREETS</b>				
08225	HERLACHE SMALL ENGINE	6 PK 2 CYCLE OIL	01-400-000-54999	15.00
TOTAL				15.00
TOTAL ROADWAYS/STREETS				15.00
<b>SNOW REMOVAL</b>				
06012	FASTENAL COMPANY	1 ROLL 1/2 " CABLE/PLOW WINGS	01-410-000-51400	758.45
TOTAL				758.45
TOTAL SNOW REMOVAL				758.45

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
STREET SIGNS AND MARKINGS				
22800	WALMART COMMUNITY	BATTERIES/ROAD FLASHERS	01-420-000-52550	137.64
TOTAL				137.64
TOTAL STREET SIGNS AND MARKINGS				137.64
STREET MACHINERY				
02005	BAY ELECTRONICS, INC.	RADIO REPEATER REPAIR	01-450-000-52150	1,000.00
03075	CARQUEST OF DOOR COUNTY	MECHANICAL FUEL PUMP	01-450-000-52150	43.98
03075		FUEL FILTER	01-450-000-52150	1.46
03075		CREDIT RETURN	01-450-000-52150	-0.04
03075		CREDIT RETURN	01-450-000-52150	-20.20
03075		1/4 PT UNIVERSAL CEM/SHOP	01-450-000-52150	6.15
03075		5 GAL HYD OIL/ UNIT # 13	01-450-000-53000	95.66
03075		AUVECOPAK/SHOP	01-450-000-52150	6.42
03075		MISC AUTO PARTS	01-450-000-52150	6.42
03075		GAL CAR WASH CONCENTRATE	01-450-000-52150	45.98
03075		AIR FILTER/ #13	01-450-000-52150	27.71
03075		AIR FILTER	01-450-000-52150	10.71
03075		MISC SUPPLIES	01-450-000-52150	51.84
04603	HALRON LUBRICANTS INC	55 GAL DRUM KEROSENE	01-450-000-53000	323.19
06012	FASTENAL COMPANY	1 TAP	01-450-000-53000	10.50
06012		10 GRADE 8 BOLTS	01-450-000-53000	4.20
15890	PACK AND SHIP PLUS	RETURN SHIPPING	01-450-000-54999	8.95
APPLY MS	APPLIED MSS	1 PK 25 CUT OFF WHEELS	01-450-000-53000	96.83
APPLY MS		1 ROLL MECHANICS WIRE	01-450-000-53000	36.44
APPLY MS		2 CUTTING FLUID	01-450-000-53000	32.60
APPLY MS		2 PK NITRILE GLOVES	01-450-000-53000	39.98
APPLY MS		SHIPPING	01-450-000-53000	18.00
EH WULF	E.H. WOLF & SONS, INC.	55 GAL DRM DRVE TRN FLUID/ #13	01-450-000-53000	613.00
QUALITY	QUALITY TRUCK CARE CENTER INC	TURN SIGNAL SWITCH	01-450-000-53000	251.98
TOTAL				2,711.76
TOTAL STREET MACHINERY				2,711.76
CITY GARAGE				
03075	CARQUEST OF DOOR COUNTY	HD BARREL PUMP	01-460-000-54999	43.11
03166	MIKE CIHLAR	SAFETY MANUAL BINDING	01-460-000-52350	36.99
19880	STURGEON BAY UTILITIES	835 N 14TH AVE SALT SHED	01-460-000-56150	8.24
19880		835 N 14TH AVE CITY GARAGE	01-460-000-56150	913.30
19880		835 N 14TH AVE CITY GARAGE	01-460-000-58650	127.00
23730	WPS	835 N 14TH AVE CITY GARAGE	01-460-000-56600	2,749.67
FIRST	FIRST NATIONAL BANK OF OMAHA	3 1/2 TON SERVICE JACK/STREETS	01-460-000-52700	195.67
VIKING	VIKING ELECTRIC SUPPLY, INC	EMERGENCY LIGHT/SHOP	01-460-000-54999	19.40
TOTAL				4,093.38
TOTAL CITY GARAGE				4,093.38

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
07887	WALTER HANISKO	HANISKA/WRK BOOT REIMBURSE	01-499-000-56800	100.00
19880	STURGEON BAY UTILITIES	TRFC WARNING LGT ELM CTY C	01-499-000-58000	2.75
TOTAL				102.75
TOTAL HIGHWAYS - GENERAL				102.75
PARK & RECREATION ADMIN				
03133	CELLCOM WISCONSIN RSA 10	04/14 BOB B CELL SERV	01-500-000-58250	48.61
03133		04/14 SWYR DCK CELL SERV	01-500-000-58250	14.12
03133		04/14 CELL SERVICE	01-500-000-58250	13.13
FIRST	FIRST NATIONAL BANK OF OMAHA	TEAM LEADERSHIP DEPOSIT	01-500-000-52250	175.00
R0000890	BADGER BOUNCER	BOUNCER/ CG CITY DEDICATION	01-500-000-52250	415.00
TOTAL				665.86
TOTAL PARK & RECREATION ADMIN				665.86
PARKS AND PLAYGROUNDS				
01766	AURORA MEDICAL GROUP	PRE EMPLOY SCREEN SEASONAL EMP	01-510-000-57100	2,227.00
02005	BAY ELECTRONICS, INC.	RADIO REPEATER REPAIR	01-510-000-53000	780.00
03075	CARQUEST OF DOOR COUNTY	LUBRICANT	01-510-000-54999	6.98
04696	DOOR COUNTY TREASURER	MARCH FUEL CHARGES	01-510-000-51650	1,120.05
08225	HERLACHE SMALL ENGINE	BELTS FOR EDGER	01-510-000-52700	20.60
13049	MAY'S SPORT CENTER	SPARK PLUG	01-510-000-53000	2.95
13075	SHAWN MADDEN	MADDEN/SAFETY GLASS REIMB	01-510-000-56800	100.00
16737	PORTSIDE BUILDERS INC	FRAMING GUN	01-510-000-51350	94.79
19880	STURGEON BAY UTILITIES	S 3RD & OREGON-MARTIN PARK	01-510-000-56150	9.32
19880		MEM FLD WARM HOUSE	01-510-000-56150	106.78
19880		MEM FLD WARM HOUSE	01-510-000-58650	155.70
19880		N 7TH PLACE GARLAND PARK	01-510-000-56150	8.24
19880		SUNSET CNTR/NEW CONC	01-510-000-56150	81.54
19880		SUNSET CNTR/NEW CONC	01-510-000-58650	51.40
19880		FRANK GRASSE MEM SHELTER	01-510-000-56150	34.25
19880		OTUMBA PARK	01-510-000-56150	8.24
19880		WEST SIDE WARMING HOUSE	01-510-000-56150	32.78
19880		JAYCEES BALLFLD STAND	01-510-000-56150	8.24
19880		FLAG LIGHT 5TH & MICHIGAN	01-510-000-56150	37.14
19880		MEM FLD PRKING LOT	01-510-000-56150	15.40
19880		GIRLS LITTLE LEAGUE	01-510-000-56150	49.70
19880		OTUMBA OK WALKWAY LITES	01-510-000-56150	30.46
19880		OTUMBA PK STREET LTG	01-510-000-56150	148.57
19880		FLORIDA ST/SUNSET PK	01-510-000-56150	14.85
19880		835 N 14TH AVE SIGN SHED	01-510-000-56150	19.29
19880		CHERRY BLOSSM PK	01-510-000-56150	8.24
23730	WPS	MEM FLD 335 S 14TH AVE	01-510-000-56600	341.07
TOTAL				5,513.58
TOTAL PARKS AND PLAYGROUNDS				5,513.58

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
BALLFIELDS				
02227	BEACON ATHLETICS	2 PALLTS DIAMOND DRY	01-520-000-54999	780.00
02227		1 CHALKER	01-520-000-54999	319.00
02227		SHIPPING	01-520-000-54999	130.00
13150	MASTERCRAFT WELDING SYSTEM	STEEL/ PBI WATR VALVE BOX	01-520-000-54999	45.00
20900	TRU GREEN CHEMLAWN	MEM FLD SPRNG FERTLZR APP	01-520-000-56500	148.00
		TOTAL		1,422.00
		TOTAL BALLFIELDS		1,422.00
MUNICIPAL DOCKS				
16725	ESP PRODUCTS, INC	2014 DOCK INSTALLATION	01-550-000-55900	630.00
19880	STURGEON BAY UTILITIES	36 S NEENAH PKG LOT LTS	01-550-000-56150	128.77
19880		38 S NEENAH AVE PAVILLION	01-550-000-56150	8.24
19880		38 S NEENAH AVE RSTRM	01-550-000-56150	28.66
23730	WPS	36 S NEENAH AVE RESTROOM	01-550-000-56600	10.78
EZ DOCK	EZ DOCK FLOATING DOCK SYSTEM	2 STNDRD PIPE BRCKTS/SNST DOCK	01-550-000-54999	234.00
R0001126	LEROY MESSERSMITH	WELD & REPAIR DOCK APPROACH	01-550-000-54999	250.00
		TOTAL		1,290.45
		TOTAL MUNICIPAL DOCKS		1,290.45
WATERFRONT PARKS & WALKWAYS				
19880	STURGEON BAY UTILITIES	DC MUSEUM WALKWAY LIGHTS	01-570-000-56150	24.28
19880		DC MUSEUM PKG LOT LIGHTS	01-570-000-56150	129.51
		TOTAL		153.79
		TOTAL WATERFRONT PARKS & WALKWAYS		153.79
PUBLIC FACILITIES				
04696	DOOR COUNTY TREASURER	2014 1ST QTR MAINT COSTS	01-700-000-56850	15,722.47
		TOTAL		15,722.47
		TOTAL PUBLIC FACILITIES		15,722.47
COMMUNITY & ECONOMIC DEVLPMT				
FIRST	FIRST NATIONAL BANK OF OMAHA	DCEDC LUNCHEON/TONY & MARTY	01-900-000-56650	50.00
FIRST		DCEDC LUNCHEON/TONY & MARTY	01-900-000-58999	16.00
		TOTAL		66.00
		TOTAL COMMUNITY & ECONOMIC DEVLPMT		66.00
		TOTAL GENERAL FUND		81,891.31

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
<b>CAPITAL FUND</b>				
<b>COMPUTER</b>				
DOOR GUA	DOOR GUARD SECURITY SYSTEMS	DIGITAL WATCHDOG DVR	10-125-000-59040	1,100.00
DOOR GUA		INSTALLATION	10-125-000-59040	45.00
TOTAL				1,145.00
TOTAL COMPUTER				1,145.00
<b>PATROL</b>				
19580	STREICHERS PROF POLICE EQUIP	2-MP-15 RIFLES@ \$785.00 EA	10-215-000-59999	1,570.00
TOTAL				1,570.00
TOTAL PATROL				1,570.00
<b>FIRE DEPARTMENT</b>				
<b>EXPENSE</b>				
02275	BENDLIN FIRE EQUIPMENT	AUTO EJECT	10-250-000-59060	259.36
FIRST	FIRST NATIONAL BANK OF OMAHA	INTERSECTOR LIGHTS	10-250-000-59060	284.50
FIRST		INSPECT DOCKING STATION	10-250-000-59070	85.67
FIRST		RUMBLER	10-250-000-59060	504.90
PAULCONW	PAUL CONWAY SHIELDS	4 SETS TURN OUT GEAR	10-250-000-59050	6,375.20
TOTAL EXPENSE				7,509.63
TOTAL FIRE DEPARTMENT				7,509.63
<b>ROADWAYS/STREETS</b>				
<b>ANNUAL RESURFACING &amp; BASE REP.</b>				
DC CUST	DC CUSTOM DRILLING & BLASTING	SOIL BORING ROCK DEPT/BAYSHIP	10-400-110-59095	300.00
TOTAL ANNUAL RESURFACING & BASE REP.				300.00
TOTAL ROADWAYS/STREETS				300.00
TOTAL CAPITAL FUND				10,524.63
<b>CABLE TV</b>				
<b>CABLE TV / GENERAL</b>				
<b>CABLE TV / GENERAL</b>				
03159	CHARTER COMMUNICATIONS	APRIL 14 CB MUSIC SERVICE	21-000-000-56700	33.28
FIRST	FIRST NATIONAL BANK OF OMAHA	SHIPPING /REPAIR ULTRA NEXUS	21-000-000-56250	19.07
FIRST		REPR ULTRA NEXUS & RETRN SHIP	21-000-000-56250	260.57
MANN	MANN COMMUNICATIONS, LLC	05/06/14 CONTRACT	21-000-000-55015	4,685.00
TOTAL CABLE TV / GENERAL				4,997.92
TOTAL CABLE TV / GENERAL				4,997.92
TOTAL CABLE TV				4,997.92

DATE: 04/29/2014  
TIME: 14:12:48  
ID: AP443000.CST

CITY OF STURGEON BAY  
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 05/06/2014

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
-----				
SOLID WASTE ENTERPRISE				
SOLID WASTE ENTERPRISE FUND				
SOLID WASTE ENTERPRISE FUND				
03075	CARQUEST OF DOOR COUNTY	HYD HOSE & MISC SUPP/ #60	60-000-000-53000	74.86
IN POWER	INLAND POWER GROUP	6 GAL SYNTHETIC TRANS FLUID/39	60-000-000-52050	220.98
JX ENT	JX ENTERPRISES, INC.	4 OIL FILTERS/#39 & 41	60-000-000-53000	151.24
TOTAL SOLID WASTE ENTERPRISE FUND				447.08
TOTAL SOLID WASTE ENTERPRISE FUND				447.08
TOTAL SOLID WASTE ENTERPRISE				447.08
TOTAL ALL FUNDS				97,860.94

**MANUAL CHECKS**

MINNESOTA LIFE 04/11/14 Check #74598 May Life Insurance 01-600-000-50552	\$1,721.06
VISION INSURANCE PLAN 04/15/14 Check #74599 May Vision Insurance Premium 01-000-000-21540	\$710.10
SOUTHERN DOOR SCHOOLS 04/23/14 Check # 74678 March Mobile Home Tax Payment 01-000-000-41300	\$183.27
STURGEON BAY SCHOOLS 04/23/14 Check #74679 March Mobile Home Tax Payment 01-000-000-41300	\$1,043.76
<b>TOTAL MANUAL CHECKS</b>	<b>\$3,658.19</b>

INVOICES DUE ON/BEFORE 05/06/2014

VENDOR # NAME ITEM DESCRIPTION ACCOUNT # AMOUNT DUE

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SUMMARY OF FUNDS:

GENERAL FUND	<del>81,891.31</del>	85,549.50
CAPITAL FUND	10,524.63	
CABLE TV	4,997.92	
SOLID WASTE ENTERPRISE	447.08	
TOTAL --- ALL FUNDS	<del>97,860.94</del>	101,519.13

*[Signature]* 4-29-14  
*[Signature]* 4/29/14

COMMON COUNCIL  
April 15, 2014

A regular 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: Wiegand, Vandertie, Ireland, Wiesner, Stutting, Fett and Schlicht were present.

Fett/Ireland to adopt the amended agenda. Carried.

A Proclamation was presented to Door County Hardware.

A Proclamation was read in honor of Eric Matthew Kettering.

Stutting/Schlicht and to approve following bills: General Fund - \$153,646.64, Capital Fund - \$50,320.50, Cable TV - \$256.79, TID #4 - \$10,405.08, and Solid Waste Enterprise Fund - \$11,396.00 for a grand total of \$226,025.01. Roll call: All voted aye. Carried.

Schlicht/Vandertie to approve consent agenda:

- a. Approval of 4/1/14 regular and 5/7/13 closed session Common Council minutes.
- b. Approval of the following minutes:
  - (1) Park & Recreation Committee Closed Session – 4/30/13
  - (2) Sturgeon Bay Utility Commission – 3/18/14
  - (3) Police & Fire Commission – 3/25/14
  - (4) Aesthetic Design & Site Plan Review Board – 3/31/14
  - (5) Finance/Purchasing & Building Committee – 4/1/14
  - (6) Board of Canvassers – 4/7/14
- c. Place on file the following reports:
  - (1) Police Department Report – February 2014
  - (2) Fire Department Report – March 2014
  - (3) Inspection Department Report – March 2014
- d. Consideration of: Beverage Operator licenses.
- e. Consideration of: Temporary Class B Beer license.
- f. Resolution re: Official newspaper.
- g. Resolution re: Designating Public Depositories.

Carried.

The Mayor did not make any Mayoral Appointments at this meeting. He noted that he will wait until the June 17, 2014 meeting so the newly appointed District 5 seat can be included in the appointments.

Fett/Stutting to nominate Ron Vandertie as Council President. Schlicht/Stutting to close nominations and cast a unanimous ballot. Carried with Vandertie abstaining.

The Mayor invited any resident of District 5 that is interested in the future vacancy of the seat to send a resume and letter of interest to City Clerk Stephanie Reinhardt by May 30, 2014. The Council will then appoint from those interested persons.

Schlicht/Wiesner to approve the acceptance of the donated UTV to the Police & Fire Departments. It was noted that the \$650 cost for shipping was paid for out of vehicle maintenance account. Carried.

Wiegand/Vandertie to adopt the second reading of the ordinance creating Section 20.27(5) of the Municipal Code (Zoning Code) regarding setback from navigable water. Carried.

Schlicht/Stutting to approve resolution and allow staff to make grant application for DNR Knowles-Nelson Stewardship Local Assistance Grant. Carried.

Wiegand/Ireland to approve the Certified Survey Map, including modification to the utility easement, for Johnson & Alger. Carried.

Personnel Committee Chair Stutting, Parking & Traffic Committee Chair Schlicht, Community Protection & Services Committee Chair Fett and Sturgeon Bay Utility Commission member Fett presented reports for their respective committees/commissions.

No one spoke during public comment.

The Mayor did not have any comments.

After the Mayor announced the statutory basis, Schlicht/Fett to convene in closed session in accordance with the following exemption: Deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified business, whenever competitive or bargaining reasons require a closed session – Wis. Stats. 19.85(1)(e) – Consideration of: Maritime Plaza/Development Special Assessment. Roll call: All voted aye. Carried. The meeting moved to closed session at 7:25 p.m. and adjourned at 7:44 p.m.

Respectfully submitted,

  
Stephanie L. Reinhardt  
City Clerk/Human Resources Director

SPECIAL COMMON COUNCIL

April 23, 2014

The meeting of the Common Council was called to order at 12:30 p.m. by Mayor Birmingham. Ald. Wiegand, Wiesner, Stutting, Fett, and Schlicht were present. Vandertie & Ireland were excused.

Fett/Wiegand to adopt the agenda. Carried.

Wiegand/Stutting to approve the six month Class B Beer license for Killer B, LLC. Carried.

Schlicht/Wiesner to adjourn. Carried. The meeting adjourned at 12:32 p.m.

Respectfully submitted,



Stephanie L. Reinhardt  
City Clerk/Human Resources Director

## FINANCE/PURCHASING & BUILDING COMMITTEE

April 8, 2014

A meeting of the Finance/Purchasing & Building Committee was called to order at 7:00 p.m. by Alderperson Stutting in the Council Chambers, City Hall. Roll call: Alderpersons Stutting, Wiegand and Schlicht were present. Also present: City Administrator McNeil, Finance Director/City Treasurer Clarizio, Community Development Director Olejniczak, City Attorney Nesbitt, Door County Economic Development Executive Director Bill Chaudoir and Receptionist Metzger.

A motion was made by Alderperson Wiegand, seconded by Alderperson Schlicht to adopt the following agenda, moving item number 3 to item number 8a:

1. Roll call.
2. Adoption of agenda.
3. Discussion of: Industrial Park Sale Policy.
4. Consideration of: City Owned Exempt Properties.
5. Consideration of: Repeal Ordinance 30.02 Distribution of Revenue Re: 30% Portion of Room Tax Collections.
6. Consideration of: Repeal and Recreate Section 3.05 of the Municipal Code-Budget.
7. Consideration of: Renew Contract with Milliman Re: GASB 45 Actuarial Valuation.
8. Consideration of: Contract for Arbitrage Monitoring Services.
9. Convene in closed session in accordance with the following exemptions:

Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. Wis. Stats. 19.85(1)(e)

- a. Consideration of: Maritime Plaza/Development Special Assessment.

Move to reconvene in open session to take formal action upon preceding subject of closed session, if appropriate.

10. Review bills.
11. Adjourn.

Carried.

### Consideration of: City Owned Exempt Properties

The Committee reviewed in length the listing of exempt properties currently owned by the City. Community Development Director Olejniczak further detailed the various attributes or restrictions associated with the properties. However, the main discussion focused on two properties for potential sale. The first located at North 14<sup>th</sup> Avenue between Evenson's Laundry and Bonnie Brook Gardens, the second property located at South Madison Avenue and Pine. The Committee also discussed the need to establish the value of the two noted properties along with any contingencies that would restrict the sale of the properties.

Moved by Alderperson Wiegand seconded by Alderperson Schlicht to direct Staff to look into selling City owned properties at North 14<sup>th</sup> Avenue between Evenson's Laundry and Bonnie Brook Gardens and the property located on the corner of South Madison and Pine. Carried.

Consideration of: Repeal Ordinance 30.02 Distribution of Revenue Re: 30% Portion of Room Tax Collections:

Moved by Alderperson Schlicht, seconded by Alderperson Stutting to recommend to Common Council to repeal section 30.02, accommodations tax, distribution of revenue of the City of Sturgeon Bay Municipal Code to read as follows:

30.02-Distribution of revenue.

- (1) Beginning January 1, 2009, any amount the city collects over \$100,000.00 of its 30 percent share of revenue shall be remitted to the City of Sturgeon Bay Tourism Fund.

Carried.

Consideration of: Repeal and Recreate Section 3.05 of the Municipal Code-Budget:

Moved by Alderperson Wiegand, seconded by Alderperson Schlicht to recommend to Common Council to repeal and recreate Section 3.05 of the City of Sturgeon Bay Municipal Code-Budget as attached. Carried.

Consideration of: Renew Contract with Milliman Re: GASB 45 Actuarial Valuation:

Moved by Alderperson Wiegand, seconded by Alderperson Schlicht to recommend to Common Council to renew the contract with Milliman to provide the GASB 45 Actuarial Valuation services for the City in the amount of \$7,000 for the years beginning January 1, 2014 and ending December 31, 2016. Carried.

Consideration of: Contract for Arbitrage Monitoring Services.

Moved by Alderperson Wiegand, seconded by Alderperson Schlicht to recommend to Common Council to contract with Ehlers & Associates, Inc. to provide arbitrage monitoring services for the City for the \$5,420,000 bond issue dated 12/30/13 with the option of contracting with Ehlers & Associates, Inc. for arbitrage monitoring services for future bond issues. Carried.

Discussion of: Industrial Park Sale Policy:

Door County Economic Development Executive Director Chaudoir provided an overview of the Industrial Park Sale Policy features. He explained the pricing policy as \$30,000 per acre, which consists of a \$10,000 per acre down payment and \$20,000 per acre price, with incentive credits awarded at the end of the three year, 0% interest financing term. The buyer receives incentive credits in the amount of \$4,000 per new full time job created that pays at least \$15.00 per hour excluding benefits and \$4,000 for each \$100,000 of value added to the real estate. The City has a repurchase option if the buyer fails to follow thru with the complete construction of a facility within 18 months of closing. Mr. Chaudoir stated he likes the policy, the structure and incentives market well to potential buyers and are easy to explain. Currently he is working with a prospective buyer on lot 39, along with current businesses looking to expand their business on lots 35 and 42.

After Chairman Stutting announced the statutory basis, it was moved by Alderperson Schlicht, seconded by Alderperson Wiegand to convene in closed session. Roll call: Alderperson Stutting, Alderperson Wiegand and Alderperson Schlicht voted Aye. Carried. The meeting moved into closed session at 8:06 pm.

Moved by Alderperson Wiegand, seconded by Alderperson Schlicht to reconvene to open session. Carried. The meeting moved into open session at 8:30pm.

Review bills

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

Moved by Alderperson Schlicht, seconded by Alderperson Wiegand to adjourn. Carried. The meeting adjourned at 8:30pm.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Tricia Metzger".

Tricia Metzger

**COMMUNITY PROTECTION & SERVICES COMMITTEE**  
**April 16, 2014**

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 Mr. Fett and Mr. Wiesner and Mr. Ireland were present. Also present were Steve McNeil, Capt. Dan Brinkman, Chad Shefchik, Bob Bordeau and Marty Olejniczak from Sturgeon Bay City Hall.

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

1. Roll call.
2. Adoption of agenda.
3. Discussion of: Noise ordinance
4. Discussion of: Garbage/Recycling options
5. Consideration of: Electrician Licensing
6. Adjourn

Carried.

Discussion of: Noise Ordinance

Mr. Fett suggested noise readings be measured from property lines at the event; for example at Martin Park concerts, a measurement would be taken at the sidewalk on 3<sup>rd</sup> Avenue and Oregon Street. Discovery will be gathered throughout the summer, and brought back in fall for discussion on whether to take action for change.

Mr. Wiesner suggested taking noise readings in a commercially zoned area during and after events, at different increments, for comparison. Capt. Brinkman indicated the Police Department will do as many reading as possible, depending on call volume.

Discussion of: Garbage/Recycling Options

Bob Bordeau, Municipal Services Director, handed out and reviewed the findings of their four week survey. The consensus is every-other-week recycling pickup would be feasible.

There was discussion of reducing rates if recycling pickup is bi-monthly. At this time there would be no change. It may be brought back to Council at budget time.

The Committee decided to bring back next meeting for consideration of action.

Consideration of: Electrician Licensing

Marty Olejniczak, Community Development Director, reported on the state statutes that pre-empts the city ordinance for licensing. The city has no authority to issue electrician licensing and collect fees.

Moved by Mr. Wiesner, seconded by Mr. Ireland that the city pull the recommendation amending the city's Electrical Code regarding the local licensing of electricians. Carried.

Moved by Mr. Wiesner, seconded by Mr. Ireland to adjourn the meeting of the Community Protection Services Committee. Carried. The meeting was adjourned at 5:17 p.m.

Respectfully submitted,

Sarah Spude-Olson  
Police Department  
Administrative Office Manager  
April 23, 2014 at 3:20pm

**CITY PLAN COMMISSION**

Wednesday, April 16, 2014

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 Dan Wiegand, Richard Wiesner, Mike Gilson, Laurel Brooks, Jeff Norland, Steve Parent and Dennis Statz were present. Also Present were Community Development Director Marty Olejniczak and Municipal Services Assistant Jennifer Lenius.

**Adoption of Agenda:** Moved by Mr. Statz, seconded by Mr. Parent to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from February 19, 2014.
4. Public comment on non-agenda items.
5. Consideration of: Modification of PUD – Two additions for Pinecrest Village, 1241 N. 18<sup>th</sup> Avenue.
6. Consideration of: Vacation of a portion of a 25-foot wide alley, known as Lama Lane, between Alabama Street and Bluebird Lane.
7. Consideration of: Zoning code and sign code amendments to create Institutional District.
8. Consideration of: Sign code amendment to allow electronic message signs in residential districts.
9. Consideration of: Setback from bridge right-of-way for U.S.C.G. building at Sawyer Park.
10. Adjourn.

All in favor. Carried.

**Approval of minutes from February 19, 2014:** Moved by Mr. Wiesner, seconded by Mr. Norland to approve the minutes from February 19, 2014. All in Favor. Carried.

Nobody spoke during public comment.

**Consideration of: Modification of PUD – Two additions for Pinecrest Village, 1241 N. 18<sup>th</sup> Avenue:** Mr. Olejniczak explained the request from Pinecrest Village to add on a single-story 22' x 22' activity room and a 4' x 22' single-story addition to the dining room and stated that under section 20.24(6) of the zoning code, the Plan Commission has the ability to allow minor changes to the PUD. He stated that because of the configuration of the building both additions are on the back side of the building and would not be visible from the street or adjacent properties. The modification does not violate any required setbacks.

Moved by Mr. Gilson, seconded by Ms. Brooks to approve the modifications to the final PUD as submitted. All in favor. Carried.

**Consideration of: Vacation of a portion of a 25-foot wide alley, known as Lama Lane, between Alabama Street and Bluebird Lane:** Mr. Olejniczak stated the request came from three of the seven property owners whose land abuts the alleyway. All of the properties have street access except for a private park which allows some of the property owners their only access to the lagoon.

*The following people spoke: Gerald Richter, 1205 N. 3<sup>rd</sup> Avenue; Joan Briggs, 1225 N. 3<sup>rd</sup> Avenue; Ann Thenell, property owner of 126 Alabama Street; Susan Londo, 212 Alabama Street.*

*Three letters were read aloud from: Chris Kellems, 120 Alabama Street; Robert and Marianne Arends, 225 Bluebird Drive; Jeraldene Bloom, 1237 N. 3<sup>rd</sup> Avenue.*

*The petitioners requested abandonment from Alabama Street to the north line of the Briggs parcel. Concerns that were discussed included; access to the lagoon for property owners, access for utilities to enter the property, deeding land to adjacent property owners, how it would affect property taxes, and whether other property owners in the subdivision have rights to the private park*

*Mr. Norland suggested the seven property owners come to a consensus of what they want to see happen to this property if it is vacated.*

*No action taken.*

**Consideration of: Zoning code and sign code amendments to create Institutional District:** *Mr. Olejniczak stated this issue has been before the committee over the last few months due to the request of several churches wanting to install electronic message signs. The concern of how rezoning properties such as churches, hospitals and schools would affect the surrounding residential properties was addressed. Mr. Olejniczak researched what other municipalities do of similar size to the City of Sturgeon Bay in northeast Wisconsin. He found out that only three of the nine he checked have an Institutional zoning District.*

*It was discussed if an Institutional Zoning District was implemented should all affected properties be rezoned city wide and retro-fitted creating spot zoning or if it would be better to wait for the affected properties to come forward and request to be rezoned. Ms. Brooks expressed her concern of adding electronic signage to the residential district and how it would compromise safety by distracting drivers. Mr. Parent expressed that creating an Institutional zoning district for large tracts of land may make sense, but simply rezoning a single parcel in a residential area is not necessarily good since it doesn't change the fact of its location near homes. Mr. Weisner stated that if approved the commission can regulate the size of the sign, where it can be placed and when it is allowed to be on.*

*Mr. Norland stated that while Institutional Zoning has its merits, the commission is dealing with two distinct issues of zoning and signage and that if the signage is going to be allowed, then the commission needs to look at rezoning. Mr. Statz suggested it was too early to make a decision at this point and more thought should be put into the idea of creating an Institutional Zoning District before a decision is made.*

**Consideration of: Sign code amendment to allow electronic message signs in residential districts:** *Mr. Olejniczak stated regardless of whether or not an Institutional Zoning District is adopted, a decision would still need to be made if an amendment should be made to the sign code. There are three options that include:*

- Amend the sign code to allow electronic variable message signs in residential districts with the current standards*
- Amend the sign code to allow electronic variable message signs in residential districts with additional restrictions such as size, intervals and time limits*
- Reject the request to amend the sign code*

*Motion by Ms. Brooks, seconded by Mr. Statz to not make any changes to the current sign code. Members Wiegand, Gilson, Brooks, Norland, Parent and Statz in favor. Member Wiesner opposed. Motion carried.*

**Consideration of: Setback from bridge right-of-way for U.S.C.G. building at Sawyer Park:** *Mr. Olejniczak explained the U.S.C.G. would like to replace two smaller buildings on the north side of the Oregon Street Bridge corridor with one larger 40' x 60' storage building on the land it leases from the City at Sawyer Park south of the Oregon Street Bridge corridor. The current setback for the C-2 district is 15 feet, but the zoning code allows smaller setbacks if approved by the Plan Commission. The proposed building has an 8.5 foot setback. The plan has already been approved by the Waterfront Design Review Board and Common Council.*

*Moved by Mr. Wiegand, Seconded by Ms. Brooks to approve a reduced setback of a minimum of 8 feet from the right-of-way for the U.S.C.G. building so it can be constructed per the approved site plan. All in favor. Carried.*

**Adjourn:** *Moved by Mr. Gilson, Seconded by Ms. Brooks to adjourn. All in favor. Carried. Meeting adjourned at 8:35 p.m.*

*Respectfully Submitted,*



*Jennifer M. Lenius*

*Municipal Services Assistant*

## WATERFRONT REDEVELOPMENT AUTHORITY

Monday, April 21, 2014

A meeting of the Waterfront Redevelopment Authority was called to order at 2:05 p.m. by Vice-Chairperson William Galligan in Community Room, City Hall, 421 Michigan Street.

**Roll call:** Members Thomas Wulf, Rick Wiesner, Joe Stutting, William Galligan, and Tom Herlache (by teleconference) were present. Excused: Members Ross Schmelzer and John Asher. Also present were City Administrator Steve McNeil, Mayor Thad Birmingham, DCEDC Executive Director Bill Chaudoir, Vandewalle Associates Jeff Maloney, Brian Vandewalle, and Dan Johns (by teleconference), Alderman Bob Schlicht, Community Development Director Marty Olejniczak, and Community Development Secretary Cheryl Nault.

**Adoption of agenda:** Moved by Mr. Wulf, seconded by Mr. Wiesner to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from December 16, 2013.
4. Consideration of: Ownership issues and use restrictions for waterfront parcel.
5. Consideration of: Revised design plan of the public waterfront improvements.
6. Consideration of: Grant application under Knowles-Nelson Stewardship Program.
7. Consideration of: Structural analysis of grain elevator – part 2.
8. Consideration of: Update regarding West Waterfront Redevelopment activities.
9. Convene in closed session in accordance with the following exemption:  
Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. 19.85(1)(e).  
Consideration of: Development proposal for West Side redevelopment project.  
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 Authority may adjourn in closed session.
10. Adjourn.

Carried.

**Approval of minutes from December 16, 2013:** Moved by Mr. Wiesner, seconded by Mr. Stutting to approve the minutes from December 16, 2013. All ayes. Carried.

**Consideration of: Ownership issues and use restrictions for waterfront parcel:** Mr. Olejniczak stated this item relates to the filled area on the old Coast Guard parcel. The DNR has stated that based on public trust doctrine of the Wisconsin Constitution, the area behind the bulkhead line can be filled, but the uses are strictly public or navigation related. Putting up the market building as originally shown in that area cannot be done and are unable to get title insurance for that property. City staff has met with the DNR secretary in Madison to see if

anything could be done. It was indicated that their hands were tied because of the law and asked if the plan could be revised. Vandewalle then made some adjustments based on following the bulkhead line. After another meeting held with the DNR showing the adjustments, they liked the plan and would support helping get title insurance for that area. All of the private uses were moved out of that area. The original 10,000 square foot footprint was reduced to 5,000 square feet.

Mr. Wulf commented that the City has created so much public access to the waterfront. He also mentioned that the DNR office was built on filled land.

No action was needed.

**Consideration of: Revised design plan of the public waterfront improvements:** Vandewalle Associate Jeff Maloney stated that they had reprogrammed the market building to 5,000 sq. ft., with 25 parking stalls, and as close to the bulkhead line as possible. He also pointed out the brew pub and restaurant would have their own parking bay. The event stage and pier is relocated a few feet to the south as previously shown. The concept for the public space with the festival dock, pier and walkway and alignment down to Maple Street remains the same. They also programmed in an ice rink, splash plaza, and seating for stage area.

Mayor Birmingham was concerned with the amount of parking stalls available.

No action was needed.

**Consideration of: Grant application under Knowles-Nelson Stewardship Program:** Mr. Olejniczak updated the Authority on the grant situation. The City applied for a Wisconsin Coastal Management Grant last November asking for \$100,000 and were awarded \$50,000 for engineering for public fishing area, water's edge treatment by putting a cap on the existing seawall, and improving the area by the bollards by installing benches and replacing the asphalt. With the grant amount awarded, the City would have to adjust the project, remove some of the amenities that could be put into the second phase, such as benches, flagpoles, plantings, etc. The City can continually apply for more grants.

Mr. Olejniczak added that another grant can be applied for under the Knowles-Nelson Stewardship Program. Under this application, which is due May 1<sup>st</sup>, there are 4 or 5 different categories in which they can choose from that would best fit the City's needs. Knowles-Nelson will fund up to 50%. A letter of support is needed from the Waterfront Redevelopment Authority. The Council has already approved a resolution to apply for the grant. Mr. Olejniczak added that the grant would be awarded in fall and would be able to spend the grant in 2015. The City is also hoping for letters of support from other agencies as well. The Raibrook Foundation has also encouraged the City to apply for a grant.

Moved by Mr. Stutting, seconded by Mr. Wiesner directing staff to draft a letter of support and authorize the chairman or vice-chairman to sign the letter. All ayes. Carried.

**Consideration of: Structural analysis of grain elevator – part 2:** Mr. Olejniczak stated that the City had received the part 2 structural analysis of the grain elevator. There were some problems found in the sub-surface, mainly the grade beams. New cost estimates were received from Middleton Construction Consulting. The estimate to get the building stable was over \$100,000. The cost of removal of the building was estimated at \$65,000. The state has adopted the tax credit program for renovating both historic and non-historic buildings for any pre-1936 building that could qualify for up to 20% of income tax credits for renovation costs.

Mr. Stutting suggested leaving this alone until the City knows what a developer wants to do.

Discussion continued regarding the grain elevator, including TIF financing to help with the project.

No decision was needed at this time.

**Consideration of: Update regarding West Waterfront Redevelopment activities:** Mr. Olejniczak stated that May will be the closing for the sale of Applebees. A gentleman from Winneconne is purchasing the building, with hopes to open the restaurant on Labor Day weekend. He would like to have a closer relationship to the marina. A meeting is set up for Wednesday to discuss specific plans for the property.

The City previously had an interested party for residential development on the property where Bargain Corner is located.

Ground will be broken soon for the new Coast Guard storage building to be located in Sawyer Park by the Oregon Street Bridge.

There will be a dedication in May for Sturgeon Bay being a "Coast Guard City".

Historical markers will be placed along the walkway in Sawyer Park similar to the markers that were placed along the walkway at the East Side Dock.

**Consideration of: Convene in closed session in accordance with the following exemption:**

**Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. 19.85(1)(e).**

**Consideration of: Development proposal for West Side redevelopment project.**

**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 Authority may adjourn in closed session.**

After Vice-Chairperson Galligan announced the statutory basis, it was moved by Mr. Stutting, seconded by Mr. Wulf to convene in closed session. All ayes. Carried. The meeting moved to closed session at 3:05 p.m.

It was decided to meet again on Friday, May 2, 2014, after staff prepares a summary of the closed session meeting.

Moved by Mr. Stutting, seconded by Mr. Wiesner to adjourn. Carried. The meeting adjourned in closed session at 4:35 p.m.

Respectfully Submitted,



Cheryl Nault  
Community Development Secretary

ZONING BOARD OF APPEALS  
Monday, April 28, 2015

The City of Sturgeon Bay Zoning Board of Appeals meeting was called to order at 7:20 p.m. by Chairperson William Murrock in Council Chambers, City Hall, 421 Michigan Street.

Roll call: Members William Murrock, Bill Chaudoir, and Alternates Wayne Spritka and Richard Jennings were present. Excused: Members Jack Gigstead and James Goodwin. Absent: Member Andrew Starr. Also present were City Engineer Tony Depies and Community Development Secretary Cheryl Nault.

**Adoption of agenda:** Moved by Mr. Jennings, seconded by Mr. Chaudoir to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from November 25, 2013.
4. Public hearing: Petition for variance from Floodplain Zoning Code for fill requirements for floodfringe areas at 120 Alabama St.
5. Consideration of: Petition for variance from Floodplain Zoning Code for fill requirements for floodfringe areas at 120 Alabama St.
6. Adjourn.

Carried.

**Approval of minutes from November 25, 2013:** Moved by Mr. Jennings, seconded by Mr. Spritka to approve the minutes from November 25, 2013. Carried.

**Public hearing: Petition for variance from Floodplain Zoning Code for fill requirements for floodfringe areas at 120 Alabama St.:** Chairperson Murrock opened the public hearing at 7:21 p.m.

Architect Virge Temme, agent for David and Christine Kellems, stated that the Kellems home at 120 Alabama St. would be demolished and will be rebuilding a new home of similar size in the floodplain zone. The current grade is 2 feet below the floodplain level. The floodplain zoning code requires that the new home be built 2 feet above the floodplain level and extend the grade to one foot above the floodplain level. There was concern from the owners regarding access to the electrical pole on the lagoon side of the property and the desire to mitigate any flood damage potential to the neighbors. The west side of the property would be maintained at the existing grade level in order to have access to the lagoon. The east side of the proposed home will be shifted to the right side of the property as much as possible to allow for the 15' required grade level. There will also be a swale created to collect any rainwater and diverted to the lagoon, so there will not be any rainwater runoff on the neighboring properties.

The house will be built on approximately 36 piers that will be going down 20-22 feet to bedrock. It will be a slab on grade construction, with soil being brought in on the south, north, and east side of the house. The project has been engineered by Rice Engineering.

The rainwater will be captured in gutters and downspouts with part of it being diverted into a 1,000 gallon or possibly two 1,000 gallon tank rainwater catchment systems embedded underneath the fill for watering the garden, lawns, etc. In addition, anything on the north side will be diverted directly into the lagoon by way of underground piping.

The footprint of the proposed living space is actually smaller than it is currently. The garage will be larger than the existing.

The regulation requires that if you are in the floodplain zone the grade has to be one foot above the flood plain for 15' surrounding the building. Because the lot is narrow, there is not enough room on both sides of the house to make the 15'. The east side will have 12' of elevation and the west side will be exposed 4' above grade. The elevation will be 583' along the west side.

Mr. Depies stated the variance is for floodplain protection for the building and the owners are doing things over and above to make sure the neighbors are not impacted by this. The building will be brought up above the floodplain level, so there will be plenty of clearance and protection for the building and the owners.

No one spoke in favor of the variance. Ms. Nault read an email from Miles Winkler who stated that the DNR had no objection to the variance. There were also three other letters of correspondence from Kathy Rowe, Iris Friedlieb, and Jerry and Lucy Richter stating they had no objections to the variance request.

Ann Thenell, owner of the property at 126 Alabama St., stated she wanted to see more detail of the project and clarification of the subdivision restrictions. She didn't want to see a forced flood with the Kellems house being at a higher elevation, and water running into the lagoon with contaminants.

There were no letters in opposition.

Ms. Temme responded to Ms. Thenell's concerns. Water collected from the roof is rain water that would not contain contaminants. The Kellems are also considering applying for LEED certification.

Mr. Depies added that the project meets all other zoning requirements. He was not aware of any covenants the subdivision would have. The variance is to not fill 15' away from the building and allow the runoff to be handled in a narrower portion. Any other homes in that area that would need to be rebuilt would also have to meet the floodplain elevations before they can be reconstructed. There is no crawl space or lower level that would have to be protected with extra fill.

The public hearing was closed at 7:55 p.m.

**Consideration of: Petition for variance from Floodplain Zoning Code for fill requirements for Floodfringe areas at 120 Alabama St.:** The Board discussed the variance request. Mr. Murrock commented that the swale would absorb the water into the soil before it reaches the lagoon.

Mr. Spritka added that through his past experience, the pilings are the right engineering technique to use in this situation and will get the building on a solid platform. The water would have to go through riparian buffers before it gets to the lagoon.

After further discussion, it was moved by Mr. Chaudoir, seconded by Mr. Jennings to approve the variance request, with reasons being the existing lot is narrow and would not be possible to meet the requirement for fill at elevation 595 or greater for a distance of 15' around the structure, without causing undue impact on the neighbors.

Roll call vote: All ayes. Carried.

**Adjourn:** Moved by Mr. Spritka, seconded by Mr. Jennings to adjourn. Carried. Meeting adjourned at 8:01p.m.

Respectfully submitted,

  
Cheryl Nault  
Community Development Secretary



# STURGEON BAY POLICE DEPARTMENT



*The mission of the Sturgeon Bay Police Department is to serve, protect, and work in partnership with the community to ensure a safe, nurturing environment.*

To:           The Honorable Mayor  
                   Members of the Common Council  
                   Members of the Police and Fire Commission  
                   City Administrator Steve McNeil  
                   Officers of the Sturgeon Bay Police Department  
                   Media

From:         Captain Daniel J. Brinkman

Subject:      Monthly Report for March, 2014

Date:         April 28, 2014

The following is a summary of the Police Department's activities for the month of March. The activities included are crimes investigated, police service calls handled by department members, arrests completed, traffic accidents investigated, miles traveled, fuel consumed, training completed, and public education provided by department members.

### Crimes Investigated

The Department, during the month, investigated a total of 47 crimes.

These crimes can be broken down and classified as follows.

Theft.....	05
Criminal Damage to Property .....	02
Disorderly Conduct .....	13
Possession of Marijuana.....	02
Bail Jumping.....	04
Violation of Court Order.....	02
Physical abuse of a Child .....	01
Harassment.....	07
Forgery/Fraud/Scams .....	07
Flee / Eluding Police.....	01
Internet Crimes against Children.....	02
Death Investigations.....	01

**TOTAL 47**

The above crimes resulted in the loss of \$1,434 to the community, of which \$135 has been recovered.

**Arrests**

The Department completed a total of 122 arrests during the month. These arrests encompass violations from traffic to felony, and are listed below by type of violations and number of arrests for each category.

**A. Felony Crime Arrest**

Possession of Marijuana.....	01
Bail Jump.....	01
Attempt Child Enticement.....	01
Use Computer to Facilitate Child Sex Crime.....	01

**TOTAL 04**

**Warrant Arrests.....00**

**TOTAL 00**

**B. Misdemeanor Crime Arrests**

Disorderly Conduct.....	04
Possess Drug Paraphernalia .....	01
Bail Jump.....	02
Obstructing a Police Officer .....	01
Theft.....	01
Retail Theft .....	01
Criminal Damage to Dwelling .....	01

**TOTAL 11**

**Wisconsin Probation & Parole Violation Arrests .....03**

**Warrant Arrests.....06**

**TOTAL 09**

**C. Ordinance Violation Arrests**

Underage Drinking.....	03
Retail Theft .....	01
Disorderly Conduct.....	02
Possess Drug Paraphernalia .....	01
Open Intoxicants in Public.....	01
Possession of Marijuana .....	01
Urinate / Defecate in Public.....	01
Littering .....	02
Meddling with Property .....	01

**TOTAL 13**

**D. Traffic Crime Arrests**

Operate While Intoxicated (2 <sup>nd</sup> or more) .....	04
Operating w/o Driver's License .....	01
Operating after Driver's License Revoked.....	01
Flee Elude Officers .....	01

**TOTAL 07**

**E. Traffic Violation Arrests**

Operating a Motor Vehicle While Intoxicated.....	04
Speeding Violations.....	29
Motor Vehicle Registration Violation.....	08
Failure to Obey a Traffic Sign or Signal.....	05
Operating While Driver's License Suspended/Revoked.....	06
No Driver's License.....	02
Fail to Yield.....	01
Operating Left of Center.....	02
Inattentive Driving.....	01
Seat Belt Violations.....	05
Minor Transporting Intoxicants.....	01
Violation of Driver's License Restrictions.....	01
Permit Unauthorized Person to Operate Vehicle.....	01
Miscellaneous Moving Traffic Violations.....	12

**TOTAL 78**

In addition to the preceding arrests, the Department conducted a total of 319 traffic stops during the month and logged 105 violations for various motor vehicle defects and local ordinances and issued 88 written warnings for those violations. A total of 53 parking tickets were issued for parking violations throughout the city.

**Traffic Accidents**

The Department, during the month, investigated a total of 11 vehicle accidents. These investigations are categorized into four types described below.

A. Motor Vehicle Accidents Involving Fatalities.....	00
B. Motor Vehicle Accidents Involving Injuries.....	00
C. Motor Vehicle Accidents Involving Property Damage..... (greater than \$1,000.00)	10
D. Motor Vehicle Accidents Involving Property Damage..... (less than \$1,000.00)	01

**TOTAL 11**

**Police Service Calls**

Department members handled 322 service calls during the month. These calls consist of both citizen requests for police service as described below (255), crimes investigated (47), traffic accidents investigated (11), and Wisconsin Probation and Parole Assists 09.

A. Traffic and Road Incidents ..... 46

This category consists of all assignments involving assists to motorists in distress, directing traffic, complaints of noisy or otherwise disorderly vehicles, removing debris from roadways, and all parking problem complaints.

B. Noise Complaints ..... 06

These complaints involve private parties, licensed liquor establishments, and parties in public places.

C. Sick and Injured Persons ..... 00

Assistance rendered to the Ambulance Service and sick or injured persons. (Of these calls 02 required the commitment of citizens to a Mental Health Facility for mental or substance abuse problems.)

D. Alarms ..... 18

Officers responded to activated burglar and hold-up alarms at area banks and other business establishments and residences as well as fire alarms.

E. Complaints Involving Animals ..... 13

Investigations by officers of noisy animals, loose animals, animal bites, wild animals and sick, injured or dead animal complaints.

F. Civil Disputes ..... 04

Arguments between neighbors, landlords and tenants, and family members where no crimes have been committed.

G. Escorts ..... 03

Transporting citizens, money escorts for area financial institutions, funerals, and for area industry.

H. Civil Assistance Rendered..... 04

This category is broad and involves such services as auto and home lockouts, emergency notifications, attempts to locate people, retrieve personal property, and registration assistance.

I. Assistance Rendered to Other Agencies ..... 17

Includes assistance to other law enforcement and government agencies.

J. Suspicious Person..... 12

Involves both citizen complaints and observations by officers on patrol who took investigative action in regard to the suspicious behavior of other people.

K. Suspicious Motor Vehicles.....	10
Complaints of occupied, unoccupied, abandoned, and junked motor vehicles.	
L. Liquor Establishments.....	05
Officers conducting compliance checks and investigations concerning problems with customers.	
M. Fights or Brawls.....	01
Complaints of persons fighting where no criminal arrests were made.	
N. Self-Initiated Field Activity.....	48
All initiated activity by the officer to include, but not limited to, routine security checks of area industries, businesses, city parks, residences, and compliance checks of local liquor establishments.	
O. Juvenile Problems.....	02
Requests for police service that strictly involve property calls and all unfounded calls for police service. The calls vary from mischief to family problems to runaway situations.	
P. Miscellaneous Incidents.....	45
Includes arrest warrants served, recovered property calls, and all unfounded calls for police service. This category includes unfounded 9-1-1 calls investigated by Department members during the month.	
Q. Welfare Checks.....	17
Includes calls to check on the well-being of a person who has not been heard from or seen for a period of time by family, friends, neighbors, or employers.	
R. Gas Drive Off.....	04
Routine non-theft investigations where a motorist drove away without paying for their gas. Typically involves a driver error, store employee error or credit card reader error.	
<b>TOTAL 255</b>	

**Department Mileage and Fuel Consumption**

Officers patrolled a total of 12,776 miles with department vehicles, consuming 1,170 gallons of fuel. The fleet averaged 11.0 miles per gallon of fuel during the month.

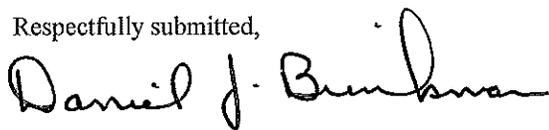
**Department Training**

Officers Steve South and Chad Mielke provided monthly training to 6 members of the Lakeshore Police Explorers, Post 9368. Five officers completed a combined 75 hours of training this month, of which 24 hours were provided at no cost to the department. Two of those officers received Peer to Peer training regarding Internet Crimes against Children. Two SWAT officers received 21 hours of training on different tactical subjects conducted at the annual SWAT Conference. One officer received 30 hours of training in the Cooper Standard of Physical Fitness which will be implemented at the Sturgeon Bay Police Department in the Fall of 2014.

**Public Education**

There was no public education news for the month of March.

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel J. Brinkman". The signature is written in a cursive style with a large, looped initial "D".

Captain Daniel J. Brinkman



Visit our website at: [www.sturgeonbaywi.org](http://www.sturgeonbaywi.org)

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## MEMO

To: Mayor and Common Council  
From: *VJC* Valerie J. Clarizio, Finance Director/Treasurer  
Subject: 2013 Year-end and 2014 Year-to-date Financial Reports  
Date: April 28, 2014

Earlier this month the City received the 2013 financial audit from Schenck Government & Not-for-Profit Solutions. As a result, please find the attached December 2013 bank reconciliation and financial report, as well as, the most current bank reconciliation and financial report for the year 2014, dated March 31, 2014. Since the March reports are cumulative, I did not include the January and February 2014 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 2013 BANK RECONCILIATION**

**CHECKING ACCOUNTS**

**INVESTMENT ACCOUNTS**

GENERAL FUND BAYLAKE	WDF BAYLAKE	SNAP BAYLAKE	GENERAL/CAPITAL FUND INVESTMENTS
2,962,047.20	161,911.98	3,737.90	1,048,642.39
5,439,114.54	10,661.60	0.00	248,174.26
5,741,793.22	170,015.00	0.00	300,973.24
855,939.09	0.00	0.00	0.00
20,446.25	0.00	0.00	0.00
<b>1,823,875.68</b>	<b>2,558.58</b>	<b>3,737.90</b>	<b>995,843.41</b>
<b>1,848,847.82</b>	<b>2,558.58</b>	<b>3,737.90</b>	<b>995,843.41</b>
24,972.14	0.00	0.00	0.00
<b>1,823,875.68</b>	<b>2,558.58</b>	<b>3,737.90</b>	<b>995,843.41</b>

**SAVINGS ACCOUNTS**

GENERAL FUND STATE - #2	GENERAL FUND BAYLAKE BANK - MMBI	TIF #1 DEBT STATE - #11	WDF STATE - #4	CAPITAL - BUILDING DEBT STATE - #9	TIF #3 DEBT STATE - #08	TIF #3 CONSTRUCTION STATE - #14
2,035,714.75	14,219.47	156,484.50	193,102.50	5,949.75	523,052.18	100,634.13
3,546,606.34	0.50	11.52	14.22	0.44	15,037.79	7.38
263,000.00	0.00	0.00	0.00	0.00	38,625.00	871.00
856.58	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
<b>5,318,464.51</b>	<b>14,219.97</b>	<b>156,496.02</b>	<b>193,116.72</b>	<b>5,950.19</b>	<b>499,464.97</b>	<b>99,770.51</b>
<b>5,318,464.51</b>	<b>14,219.97</b>	<b>156,496.02</b>	<b>193,116.72</b>	<b>5,950.19</b>	<b>499,464.97</b>	<b>99,770.51</b>

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 - #5	TIF #2 WFRDA DEBT RES. STATE - #13
3,723.23	11,715.89	22,978.86	48,419.40	8,359.87	126,275.43	1,654,028.04
0.16	0.70	114,384.50	3.57	0.61	9.30	121.80
0.00	5,165.60	113,255.00	0.00	27.58	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	856.58	0.00	0.00	0.00	0.00
<b>3,723.39</b>	<b>6,550.99</b>	<b>24,964.94</b>	<b>48,422.97</b>	<b>8,332.90</b>	<b>126,284.73</b>	<b>1,654,149.84</b>
<b>3,723.39</b>	<b>6,550.99</b>	<b>24,964.94</b>	<b>48,422.97</b>	<b>8,332.90</b>	<b>126,284.73</b>	<b>1,654,149.84</b>

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: GENERAL FUND  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER		DECEMBER 31, 2013		FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE		VARI-ANCE
	BUDGET	ACTUAL	ACTUAL	ANCE		ACTUAL	ANCE	
REVENUES								
GENERAL FUND	872,654.26	2,626,577.92	200.9	(3838.5)	10,471,847.00	10,675,583.05	1.9	
TOTAL REVENUES	872,654.26	2,626,577.92	200.9	(3838.5)	10,471,847.00	10,675,583.05	1.9	
EXPENSES								
GENERAL FUND	45,239.04	1,781,750.13			542,865.00	2,309,690.38	(325.4)	
MAYOR	1,030.43	920.42			12,365.00	11,718.31	5.2	
CITY COUNCIL	4,788.76	4,069.17			57,465.00	57,285.02	0.3	
LAW/LEGAL	5,833.34	14,321.00			70,000.00	53,259.83	23.9	
CITY CLERK-TREASURER	29,147.97	21,310.78			349,775.00	336,286.75	3.8	
ADMINISTRATION	19,935.04	(6,262.51)			239,220.00	125,178.00	47.6	
COMPUTER	4,262.52	6,678.78			51,150.00	47,224.78	7.6	
CITY ASSESSOR	8,172.97	7,469.89			98,075.00	88,416.36	9.8	
BOARD OF REVIEW	151.69	0.00			1,820.00	861.23	52.6	
BUILDING/ZONING CODE ENFORCEMENT	5,344.59	5,358.61			64,135.00	64,267.00	(0.2)	
MUNICIPAL SERVICES ADMIN.	17,724.63	(7,424.83)			212,695.00	177,301.88	16.6	
PUBLIC WORKS ADMINISTRATION	17,017.16	19,061.74			204,205.00	193,288.17	5.3	
ELECTIONS DEPARTMENT	901.28	0.00			10,815.00	9,842.23	8.9	
CITY HALL	12,516.31	12,951.17			150,195.00	124,843.21	16.8	
INSURANCE	25,867.29	(5,564.96)			310,407.00	286,966.25	7.5	
GENERAL EXPENDITURES	126,177.50	28,659.99			1,514,130.00	122,485.42	91.9	
POLICE DEPARTMENT	31,468.82	38,130.72			377,625.00	384,908.57	(1.9)	
PATROL BOAT	1,057.52	0.00			12,690.00	5,518.43	56.5	
PARKING ENFORCEMENT	0.00	0.00			0.00	0.00	0.0	
POLICE DEPARTMENT/PATROL	145,660.08	224,401.94			1,747,920.00	1,774,533.16	(1.5)	
POLICE DEPT. / INVESTIGATIONS	10,547.13	11,329.93			126,565.00	126,355.40	0.1	
FIRE DEPARTMENT	144,586.79	189,589.39			1,735,040.00	1,679,049.96	3.2	
STORM SEWERS	4,148.78	120.72			49,785.00	19,107.25	61.6	
SOLID WASTE MGMT/SPRING/FALL	4,552.54	6,929.24			54,630.00	50,197.32	8.1	
COMPOST/SOLID WASTE SITE	2,700.87	11,628.29			32,410.00	24,492.33	24.4	
STREET SWEEPING	3,129.19	94.08			37,550.00	33,654.02	10.3	
WEED ABATEMENT	481.68	402.05			5,780.00	5,800.93	(0.3)	
ROADWAYS/STREETS	13,429.19	7,503.40			161,150.00	163,770.92	(1.6)	
SNOW REMOVAL	16,137.11	49,516.79			193,645.00	217,516.91	(12.3)	
STREET SIGNS AND MARKINGS	4,800.87	1,532.93			57,610.00	50,674.27	12.0	
CURB/GUTTER/SIDEWALK	1,058.36	0.00			12,700.00	13,339.29	(5.0)	
STREET MACHINERY	16,128.38	31,695.38			193,540.00	157,684.73	18.5	
CITY GARAGE	4,819.64	10,615.13			57,835.00	60,968.69	(5.4)	
CELEBRATION & ENTERTAINMENT	3,201.69	0.00			38,420.00	35,419.52	7.8	
HIGHWAYS - GENERAL	44,506.71	48,374.93			534,080.00	474,237.96	11.2	
PARK & RECREATION ADMIN	12,053.40	8,297.11			144,640.00	93,642.46	35.2	
PARKS AND PLAYGROUNDS	30,484.71	47,184.72			365,815.00	364,099.74	0.4	
BALLFIELDS	2,432.95	2,681.06			29,195.00	33,013.66	(13.0)	
ICE RINKS	717.94	2,208.29			8,615.00	4,717.22	45.2	
BEACHES	215.85	0.00			2,590.00	175.65	93.2	

FOR FUND: GENERAL FUND  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
EXPENSES						
MUNICIPAL DOCKS	3,898.39	3,017.52	22.5	46,780.00	39,470.47	15.6
WATER WEED MANAGEMENT	7,643.38	6,272.25	17.9	91,720.00	73,861.61	19.4
WATERFRONT PARKS & WALKWAYS	4,658.78	1,658.06	64.4	55,905.00	49,928.40	10.6
EMPLOYEE BENEFITS	2,634.19	2,796.20	(6.1)	31,610.00	21,564.07	31.7
PUBLIC FACILITIES	6,176.25	0.00	100.0	74,115.00	72,239.36	2.5
BOARDS AND COMMISSIONS	34.19	0.00	100.0	410.00	204.63	50.0
COMMUNITY & ECONOMIC DEVLPMT	25,180.09	(1,572.52)	106.2	302,160.00	275,017.02	8.9
TOTAL EXPENSES	872,655.99	2,587,706.99	(196.5)	10,471,847.00	10,314,078.77	1.5
TOTAL FUND REVENUES	872,654.26	2,626,577.92	200.9	10,471,847.00	10,675,583.05	1.9
TOTAL FUND EXPENSES	872,655.99	2,587,706.99	(196.5)	10,471,847.00	10,314,078.77	1.5
SURPLUS (DEFICIT)	(1.73)	38,870.93	(6974.5)	0.00	361,504.28	100.0

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: CAPITAL FUND  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER	DECEMBER	DECEMBER	2013		FISCAL	FISCAL	VARI- ANCE
	BUDGET	ACTUAL	ACTUAL	ACTUAL	BUDGET	YEAR-TO-DATE ACTUAL	YEAR-TO-DATE ACTUAL	
REVENUES	107,123.44	289,537.43	170.2	170.2	1,285,481.00	1,426,980.43	11.0	
TOTAL REVENUES	107,123.44	289,537.43	170.2	170.2	1,285,481.00	1,426,980.43	11.0	
EXPENSES								
CITY CLERK-TREASURER	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
ADMINISTRATION	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
COMPUTER	833.34	8,271.48	(892.5)		10,000.00	9,752.19	2.4	
CITY ASSESSOR	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
MUNICIPAL SERVICES ADMIN.	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
CITY HALL	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
GENERAL EXPENDITURES	0.00	(19,167.00)	100.0	100.0	0.00	321,692.60	100.0	
POLICE DEPARTMENT	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
PATROL	6,097.91	300,325.03	(4825.0)		73,174.95	384,189.81	(425.0)	
POLICE DEPT. / INVESTIGATIONS	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
FIRE DEPARTMENT	1,383.34	0.00	100.0	100.0	16,600.00	8,999.80	45.7	
STORM SEWERS	6,666.67	19,167.00	(187.5)		80,000.00	86,147.80	(7.6)	
SOLID WASTE MGMT/REFUSE/RECYCL	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
SOLID WASTE MGMT/SPRING/FALL	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
ROADWAYS/STREETS	49,458.35	211.30	99.5		593,500.00	377,162.90	36.4	
SNOW REMOVAL	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
CURB/GUTTER/SIDEWALK	23,041.26	13,000.00	43.5		276,495.00	79,129.22	71.3	
CITY GARAGE	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
PARKS AND PLAYGROUNDS	2,358.76	16,332.00	(592.3)		28,305.05	41,076.00	(45.1)	
BALLFIELDS	12,688.00	0.00	100.0	100.0	152,256.00	163,682.00	(7.5)	
ICE RINKS	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
BEACHES	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
MUNICIPAL DOCKS	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
WATER WEED MANAGEMENT	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
WATERFRONT PARKS & WALKWAYS	541.68	0.00	100.0	100.0	6,500.00	2,588.83	60.1	
SANITARY & WATER MAIN	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
PUBLIC FACILITIES	2,245.84	0.00	100.0	100.0	26,950.00	25,424.00	5.6	
COMMUNITY & ECONOMIC DEVLPMT	0.00	0.00	0.0	0.0	0.00	0.00	0.0	
TOTAL EXPENSES	105,315.15	338,139.81	(221.0)	(221.0)	1,263,781.00	1,499,845.15	(18.6)	
TOTAL FUND REVENUES	107,123.44	289,537.43	170.2	170.2	1,285,481.00	1,426,980.43	11.0	
TOTAL FUND EXPENSES	105,315.15	338,139.81	(221.0)	(221.0)	1,263,781.00	1,499,845.15	(18.6)	
SURPLUS (DEFICIT)	1,808.29	(48,602.38)	(2787.7)	(2787.7)	21,700.00	(72,864.72)	(435.7)	

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: CABLE TV  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	% VARI- ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI- ANCE
REVENUES						
CABLE TV / GENERAL	9,607.09	0.00	100.0	115,285.00	124,225.08	7.7
TOTAL REVENUES	9,607.09	0.00	100.0	115,285.00	124,225.08	7.7
EXPENSES						
CABLE TV / GENERAL	8,631.31	20,757.28	(140.4)	103,575.00	85,193.35	17.7
TOTAL EXPENSES	8,631.31	20,757.28	(140.4)	103,575.00	85,193.35	17.7
TOTAL FUND REVENUES	9,607.09	0.00	100.0	115,285.00	124,225.08	7.7
TOTAL FUND EXPENSES	8,631.31	20,757.28	(140.4)	103,575.00	85,193.35	17.7
SURPLUS (DEFICIT)	975.78	(20,757.28)	(2227.2)	11,710.00	39,031.73	233.3

FOR FUND: TOURISM FUND  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR ACTUAL	VARI-ANCE
REVENUES						
TOURISM COMMITTEE / GENERAL	0.00	0.00	0.0	0.00	0.00	0.0
TOTAL REVENUES	0.00	0.00	0.0	0.00	0.00	0.0
EXPENSES						
TOURISM COMMITTEE / GENERAL	0.00	0.00	0.0	0.00	0.00	0.0
TOTAL EXPENSES	0.00	0.00	0.0	0.00	0.00	0.0
TOTAL FUND REVENUES	0.00	0.00	0.0	0.00	0.00	0.0
TOTAL FUND EXPENSES	0.00	0.00	0.0	0.00	0.00	0.0
SURPLUS (DEFICIT)	0.00	0.00	0.0	0.00	0.00	0.0

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #2 DISTRICT  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER		DECEMBER		FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE		% VARI-ANCE
	BUDGET	ACTUAL	ACTUAL	ANCE		ACTUAL	ANCE	
REVENUES								
TID DISTRICT #2	137,342.11	3,820,578.62	2681.7	1,648,105.00	5,367,477.65	225.6		
TOTAL REVENUES	137,342.11	3,820,578.62	2681.7	1,648,105.00	5,367,477.65	225.6		
EXPENSES								
TID DISTRICT #2	253,445.14	3,861,264.25	(1423.5)	3,041,341.00	6,673,851.14	(119.4)		
TOTAL EXPENSES	253,445.14	3,861,264.25	(1423.5)	3,041,341.00	6,673,851.14	(119.4)		
TOTAL FUND REVENUES	137,342.11	3,820,578.62	2681.7	1,648,105.00	5,367,477.65	225.6		
TOTAL FUND EXPENSES	253,445.14	3,861,264.25	(1423.5)	3,041,341.00	6,673,851.14	(119.4)		
SURPLUS (DEFICIT)	(116,103.03)	(40,685.63)	(64.9)	(1,393,236.00)	(1,306,373.49)	(6.2)		

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #1 DISTRICT  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
REVENUES						
TID #1 DISTRICT	38,833.92	11.52	(99.9)	466,007.00	468,246.11	0.4
TOTAL REVENUES	38,833.92	11.52	(99.9)	466,007.00	468,246.11	0.4
EXPENSES						
TID #1 DISTRICT	38,146.00	0.00	100.0	457,752.00	457,752.29	0.0
TOTAL EXPENSES	38,146.00	0.00	100.0	457,752.00	457,752.29	0.0
TOTAL FUND REVENUES	38,833.92	11.52	(99.9)	466,007.00	468,246.11	0.4
TOTAL FUND EXPENSES	38,146.00	0.00	100.0	457,752.00	457,752.29	0.0
SURPLUS (DEFICIT)	687.92	11.52	(98.3)	8,255.00	10,493.82	27.1

FOR FUND: TID #3 DISTRICT  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
REVENUES						
TID #3 DISTRICT	19,163.35	37,020.47	93.1	229,960.00	1,981,039.82	761.4
TOTAL REVENUES	19,163.35	37,020.47	93.1	229,960.00	1,981,039.82	761.4
EXPENSES						
TID #3 DISTRICT	11,627.52	33,264.85	(186.0)	139,530.00	1,834,168.04	(1214.5)
TOTAL EXPENSES	11,627.52	33,264.85	(186.0)	139,530.00	1,834,168.04	(1214.5)
TOTAL FUND REVENUES	19,163.35	37,020.47	93.1	229,960.00	1,981,039.82	761.4
TOTAL FUND EXPENSES	11,627.52	33,264.85	(186.0)	139,530.00	1,834,168.04	(1214.5)
SURPLUS (DEFICIT)	7,535.83	3,755.62	(50.1)	90,430.00	146,871.78	62.4

FOR FUND: TID #4 DISTRICT  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER		DECEMBER		FISCAL YEAR		FISCAL YEAR-TO-DATE	
	BUDGET	ACTUAL	ACTUAL	VARI-ANCE	BUDGET	ACTUAL	ACTUAL	VARI-ANCE
REVENUES								
TID #4 DISTRICT	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.0
TOTAL REVENUES	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.0
EXPENSES								
TID #4 DISTRICT	0.00	189,284.27	189,284.27	100.0	0.00	407,772.95	407,772.95	100.0
TOTAL EXPENSES	0.00	189,284.27	189,284.27	100.0	0.00	407,772.95	407,772.95	100.0
TOTAL FUND REVENUES	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.0
TOTAL FUND EXPENSES	0.00	189,284.27	189,284.27	100.0	0.00	407,772.95	407,772.95	100.0
SURPLUS (DEFICIT)	0.00	(189,284.27)	(189,284.27)	100.0	0.00	(407,772.95)	(407,772.95)	100.0

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: REVOLVING LOAN FUND (STATE)  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE	%
REVENUES							
REVOLVING LOAN FUND (STATE)	988.34	117,190.50	1757.3	11,860.00	129,235.74	989.6	
TOTAL REVENUES	988.34	117,190.50	1757.3	11,860.00	129,235.74	989.6	
EXPENSES							
REVOLVING LOAN FUND (STATE)	950.01	212,009.98	(2216.6)	11,400.00	327,009.98	(2768.5)	
TOTAL EXPENSES	950.01	212,009.98	(2216.6)	11,400.00	327,009.98	(2768.5)	
TOTAL FUND REVENUES	988.34	117,190.50	1757.3	11,860.00	129,235.74	989.6	
TOTAL FUND EXPENSES	950.01	212,009.98	(2216.6)	11,400.00	327,009.98	(2768.5)	
SURPLUS (DEFICIT)	38.33	(94,819.48)	(7476.6)	460.00	(197,774.24)	(3094.4)	

FOR FUND: SOLID WASTE ENTERPRISE  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR ACTUAL	VARI-ANCE
REVENUES						
SOLID WASTE ENTERPRISE FUND	30,610.02	22,623.58	(26.0)	367,320.00	339,823.48	(7.4)
TOTAL REVENUES	30,610.02	22,623.58	(26.0)	367,320.00	339,823.48	(7.4)
EXPENSES						
SOLID WASTE ENTERPRISE FUND	30,610.10	128,774.92	(320.6)	367,320.00	441,569.04	(20.2)
TOTAL EXPENSES	30,610.10	128,774.92	(320.6)	367,320.00	441,569.04	(20.2)
TOTAL FUND REVENUES	30,610.02	22,623.58	(26.0)	367,320.00	339,823.48	(7.4)
TOTAL FUND EXPENSES	30,610.10	128,774.92	(320.6)	367,320.00	441,569.04	(20.2)
SURPLUS (DEFICIT)	(0.08)	(106,151.34)	9075.0	0.00	(101,745.56)	100.0

MUNICIPAL REPORT TOTALS  
 FOR 12 PERIODS ENDING DECEMBER 31, 2013

DEPARTMENT DESCRIPTION	DECEMBER BUDGET	DECEMBER ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE	%
TOTAL MUNICIPAL REVENUES	1,216,322.53	6,913,540.04	468.3	14,595,865.00	20,512,611.36	40.5	
TOTAL MUNICIPAL EXPENSES	1,321,381.22	7,371,202.35	(457.8)	15,856,546.00	22,041,240.71	(39.0)	
SURPLUS (DEFICIT)	(105,058.69)	(457,662.31)	335.6	(1,260,681.00)	(1,528,629.35)	21.2	

**MARCH 2014 BANK RECONCILIATION**

**CHECKING ACCOUNTS**

	GENERAL FUND BAYLAKE	WDF BAYLAKE	SNAP BAYLAKE
PRIOR G/L BALANCE	2,870,678.12	24,822.96	2,384.69
REVENUE	756,360.35	11,455.31	0.00
DISBURSEMENTS	1,602,910.23	0.00	0.00
AMOUNT IN TRANSIT	107,454.91	0.00	0.00
ADJUSTMENTS	26,225.40	0.00	0.00
ENDING BALANCE	<u>1,942,898.73</u>	<u>36,278.27</u>	<u>2,384.69</u>
BANK BALANCE	1,978,609.75	36,278.27	2,384.69
LESS OUTS. CHECKS	<u>35,711.02</u>	<u>0.00</u>	<u>0.00</u>
	<u>1,942,898.73</u>	<u>36,278.27</u>	<u>2,384.69</u>

**INVESTMENT ACCOUNTS**

	GENERAL/CAPITAL FUND INVESTMENTS
	995,880.39
	200,211.62
	100,254.30
	0.00
	0.10
	<u>1,095,837.81</u>
	1,095,837.81
	<u>0.00</u>
	<u>1,095,837.81</u>

**SAVINGS ACCOUNTS**

	GENERAL FUND STATE - #2	GENERAL FUND BAYLAKE BANK - MMBI	TIF #1 DEBT STATE - #11	WDF STATE - #4	CAPITAL - BUILDING DEBT STATE - #9	TIF #3 DEBT STATE - #08	TIF #3 CONSTRUCTION STATE - #14
PRIOR G/L BALANCE	4,251,879.63	13,730.67	489,622.53	116,142.05	5,950.93	536,905.07	95,277.74
REVENUE	521,973.39	0.46	41.10	9.75	0.50	44.17	7.99
DISBURSEMENTS	277,107.14	544.87	0.00	0.00	0.00	27,609.71	221.00
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	<u>4,496,745.88</u>	<u>13,186.26</u>	<u>489,663.63</u>	<u>116,151.80</u>	<u>5,951.43</u>	<u>509,339.53</u>	<u>95,064.73</u>
BANK BALANCE	4,496,745.88	13,186.26	489,663.63	116,151.80	5,951.43	509,339.53	95,064.73

	TIF #2 BAYLAKE - MMBA	TIF #2 STATE - #3	TIF #2 DEBT 98A&B STATE - #10	TIF #2 AMENDED AREA CONST. - STATE - #4	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	3,723.69	6,515.88	671,176.69	48,429.01	143,536.31	123,711.65	1,654,356.20
REVENUE	0.16	74,108.14	3,045.98	14,645.22	8.13	10.38	138.87
DISBURSEMENTS	0.00	65,791.00	321,666.62	0.00	120,714.35	0.00	0.00
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	<u>3,723.85</u>	<u>14,833.02</u>	<u>352,556.05</u>	<u>63,074.23</u>	<u>22,830.09</u>	<u>123,722.03</u>	<u>1,654,495.07</u>
BANK BALANCE	3,723.85	14,833.02	352,556.05	63,074.23	22,830.09	123,722.03	1,654,495.07

CITY OF STURGEON BAY  
SUMMARIZED REVENUE & EXPENSE REPORT

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FOR FUND: GENERAL FUND  
FOR 3 PERIODS ENDING MARCH 31, 2014

DEPARTMENT DESCRIPTION	MARCH BUDGET	MARCH ACTUAL	VARI- ANCE	FISCAL YEAR BUDGET	FISCAL YEAR- TO-DATE ACTUAL	VARI- ANCE	%
GENERAL FUND	892,908.47	76,924.92	(91.3)	10,714,905.00	4,382,373.55	(59.1)	
TOTAL REVENUES	892,908.47	76,924.92	(91.3)	10,714,905.00	4,382,373.55	(59.1)	
<b>EXPENSES</b>							
GENERAL FUND	48,125.18	190,634.49	(296.1)	577,505.00	193,365.27	66.5	
MAYOR	1,024.15	1,064.92	(3.9)	12,290.00	3,181.66	74.1	
CITY COUNCIL	4,477.91	4,069.17	9.1	53,735.00	15,030.67	72.0	
LAW/LEGAL	5,000.00	3,140.00	37.2	60,000.00	3,140.00	94.7	
CITY CLERK-TREASURER	31,209.11	29,769.99	4.6	374,510.00	82,414.24	77.9	
ADMINISTRATION	12,622.47	10,882.24	13.7	151,470.00	32,156.52	78.7	
COMPUTER	4,283.32	2,715.98	36.5	51,400.00	14,081.63	72.6	
CITY ASSESSOR	8,364.09	6,594.42	21.1	100,370.00	24,849.73	75.2	
BOARD OF REVIEW	139.15	0.00	100.0	1,670.00	0.00	100.0	
BUILDING/ZONING CODE ENFORCEMENT	5,179.57	1,696.82	67.2	62,155.00	7,754.06	87.5	
MUNICIPAL SERVICES ADMIN.	18,117.87	15,376.22	15.1	217,415.00	46,020.35	78.8	
PUBLIC WORKS ADMINISTRATION	19,964.96	16,996.47	14.8	239,580.00	52,346.59	78.1	
ELECTIONS DEPARTMENT	1,727.46	172.58	90.0	20,730.00	1,498.42	92.7	
CITY HALL	12,374.51	11,944.46	3.4	148,495.00	27,108.61	81.7	
INSURANCE	29,130.39	25,251.00	13.3	349,565.00	126,896.64	63.6	
GENERAL EXPENDITURES	129,144.53	11,984.61	90.7	1,549,735.00	12,755.06	99.1	
POLICE DEPARTMENT	31,569.50	25,737.36	18.4	378,835.00	80,197.06	78.8	
PATROL BOAT	1,064.15	0.00	100.0	12,770.00	0.00	100.0	
PARKING ENFORCEMENT	0.00	0.00	0.0	0.00	0.00	0.0	
POLICE DEPARTMENT/PATROL	152,875.76	126,379.00	17.3	1,834,510.00	360,315.86	80.3	
POLICE DEPT. / INVESTIGATIONS	10,829.96	8,395.31	22.4	129,960.00	37,442.56	71.1	
FIRE DEPARTMENT	149,876.56	124,921.92	16.6	1,798,520.00	375,769.22	79.1	
STORM SEWERS	3,152.88	2,137.59	32.2	37,835.00	2,358.86	93.7	
SOLID WASTE MGMT/SPRING/FALL	4,677.88	0.00	100.0	56,135.00	5.06	99.9	
COMPOST/SOLID WASTE SITE	2,675.81	0.00	100.0	32,110.00	202.87	99.3	
STREET SWEEPING	3,194.14	0.00	100.0	38,330.00	0.00	100.0	
WEED ABATEMENT	572.07	0.00	100.0	6,865.00	0.00	100.0	
ROADWAYS/STREETS	13,213.72	12,690.48	3.9	158,565.00	22,565.54	85.7	
SNOW REMOVAL	17,067.49	32,319.08	(89.3)	204,810.00	126,027.31	38.4	
STREET SIGNS AND MARKINGS	4,921.22	3,075.50	37.5	59,055.00	5,729.75	90.2	
CURB/GUTTER/SIDEWALK	1,247.47	409.18	67.1	14,970.00	409.18	97.2	
STREET MACHINERY	15,873.69	32,306.43	(103.5)	190,485.00	34,777.21	81.7	
CITY GARAGE	4,844.95	10,981.28	(126.6)	58,140.00	17,603.44	69.7	
CELEBRATION & ENTERTAINMENT	3,206.22	945.93	70.4	38,475.00	11,167.45	70.9	
HIGHWAYS - GENERAL	42,695.79	33,812.49	20.8	512,350.00	98,794.84	80.7	
PARK & RECREATION ADMIN	8,439.11	6,906.53	18.1	101,270.00	18,788.21	81.4	
PARKS AND PLAYGROUNDS	33,811.98	28,159.04	16.7	405,745.00	75,356.96	81.4	
BALLFIELDS	2,747.47	197.20	92.8	32,970.00	197.20	99.4	
ICE RINKS	721.64	1,011.25	(40.1)	8,660.00	4,598.10	46.9	
BEACHES	216.23	0.00	100.0	2,595.00	0.00	100.0	

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: GENERAL FUND		MARCH 31, 2014		FISCAL YEAR		%	
FOR 3 PERIODS ENDING		MARCH	MARCH	YEAR	YEAR-TO-DATE	VARI-	VARI-
DEPARTMENT DESCRIPTION	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ANCE	ANCE
EXPENSES							
MUNICIPAL DOCKS	4,037.46	215.93	215.93	48,450.00	435.62	99.1	99.1
WATER WEED MANAGEMENT	8,249.55	663.69	663.69	98,995.00	679.07	99.3	99.3
WATERFRONT PARKS & WALKWAYS	5,409.54	1,538.78	1,538.78	64,915.00	4,110.99	93.6	93.6
EMPLOYEE BENEFITS	2,108.30	1,191.72	1,191.72	25,300.00	5,637.07	77.7	77.7
PUBLIC FACILITIES	6,320.41	0.00	0.00	75,845.00	24,072.60	68.2	68.2
BOARDS AND COMMISSIONS	55.81	53.85	53.85	670.00	53.85	91.9	91.9
COMMUNITY & ECONOMIC DEVLPMNT	26,345.35	15,128.60	15,128.60	316,145.00	100,184.51	68.3	68.3
TOTAL EXPENSES	892,906.78	801,471.51	801,471.51	10,714,905.00	2,050,079.84	80.8	80.8
TOTAL FUND REVENUES	892,908.47	76,924.92	76,924.92	10,714,905.00	4,382,373.55	(59.1)	(59.1)
TOTAL FUND EXPENSES	892,906.78	801,471.51	801,471.51	10,714,905.00	2,050,079.84	80.8	80.8
SURPLUS (DEFICIT)	1.69	(724,546.59)	(724,546.59)	0.00	2,332,293.71	100.0	100.0

CITY OF STURGEON BAY  
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DEPARTMENT DESCRIPTION	FOR FUND: CAPITAL FUND		MARCH 31, 2014		FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI-ANCE
	MARCH BUDGET	MARCH ACTUAL	% VARI-ANCE	% VARI-ANCE			
TOTAL REVENUES	132,239.54	21,433.48	(83.7)	1,586,875.00	549,304.36	(65.3)	
TOTAL REVENUES	132,239.54	21,433.48	(83.7)	1,586,875.00	549,304.36	(65.3)	
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	1,083.33	0.00	100.0	13,000.00	0.00	100.0	
CITY ASSESSOR	833.33	0.00	100.0	10,000.00	0.00	100.0	
MUNICIPAL SERVICES ADMIN.	666.66	0.00	100.0	8,000.00	2,990.00	62.6	
CITY HALL	0.00	0.00	0.0	0.00	0.00	0.0	
GENERAL EXPENDITURES	833.33	0.00	100.0	10,000.00	0.00	100.0	
POLICE DEPARTMENT	0.00	0.00	0.0	0.00	0.00	0.0	
PATROL	3,815.00	0.00	100.0	45,780.00	36,038.96	21.2	
POLICE DEPT. / INVESTIGATIONS	0.00	0.00	0.0	0.00	0.00	0.0	
FIRE DEPARTMENT	10,499.97	2,621.00	75.0	126,000.00	2,621.00	97.9	
STORM SEWERS	6,666.66	0.00	100.0	80,000.00	0.00	100.0	
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	55,291.65	0.00	100.0	663,500.00	0.00	100.0	
SNOW REMOVAL	0.00	0.00	0.0	0.00	0.00	0.0	
CURB/GUTTER/SIDEWALK	27,207.91	250.00	99.0	326,495.00	250.00	99.9	
CITY GARAGE	0.00	0.00	0.0	0.00	0.00	0.0	
PARKS AND PLAYGROUNDS	21,666.65	0.00	100.0	260,000.00	0.00	100.0	
BALLFIELDS	416.66	0.00	100.0	5,000.00	4,487.00	10.2	
ICE RINKS	0.00	0.00	0.0	0.00	0.00	0.0	
BEACHES	0.00	0.00	0.0	0.00	0.00	0.0	
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 DEVLPMT	0.00	0.00	0.0	0.00	0.00	0.0	
TOTAL EXPENSES	129,522.81	2,871.00	97.7	1,554,275.00	46,386.96	97.0	
TOTAL FUND REVENUES	132,239.54	21,433.48	(83.7)	1,586,875.00	549,304.36	(65.3)	
TOTAL FUND EXPENSES	129,522.81	2,871.00	97.7	1,554,275.00	46,386.96	97.0	
SURPLUS (DEFICIT)	2,716.73	18,562.48	583.2	32,600.00	502,917.40	1442.6	

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: CABLE TV		MARCH 31, 2014		FISCAL		% VARI-	
FOR 3 PERIODS ENDING		MARCH 31, 2014		YEAR-TO-DATE		ANCE	
DEPARTMENT DESCRIPTION	MARCH BUDGET	MARCH ACTUAL	% VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR ACTUAL	% VARI-ANCE	
REVENUES							
CABLE TV / GENERAL	10,333.33	0.00	100.0	124,000.00	31,436.89	(74.6)	
TOTAL REVENUES	10,333.33	0.00	100.0	124,000.00	31,436.89	(74.6)	
EXPENSES							
CABLE TV / GENERAL	8,631.18	5,035.81	41.6	103,575.00	15,162.70	85.3	
TOTAL EXPENSES	8,631.18	5,035.81	41.6	103,575.00	15,162.70	85.3	
TOTAL FUND REVENUES	10,333.33	0.00	100.0	124,000.00	31,436.89	(74.6)	
TOTAL FUND EXPENSES	8,631.18	5,035.81	41.6	103,575.00	15,162.70	85.3	
SURPLUS (DEFICIT)	1,702.15	(5,035.81)	(395.8)	20,425.00	16,274.19	(20.3)	



CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #2 DISTRICT  
 FOR 3 PERIODS ENDING MARCH 31, 2014

DEPARTMENT DESCRIPTION	MARCH BUDGET	MARCH ACTUAL	VARI- ANCE	%	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI- ANCE	%
REVENUES								
TID DISTRICT #2	125,787.71	74,323.07	(40.9)	(40.9)	1,509,453.00	833,632.93	(44.7)	(44.7)
TOTAL REVENUES	125,787.71	74,323.07	(40.9)	(40.9)	1,509,453.00	833,632.93	(44.7)	(44.7)
EXPENSES								
TID DISTRICT #2	237,868.72	398,946.89	(67.7)	(67.7)	2,854,425.00	398,946.89	86.0	86.0
TOTAL EXPENSES	237,868.72	398,946.89	(67.7)	(67.7)	2,854,425.00	398,946.89	86.0	86.0
TOTAL FUND REVENUES	125,787.71	74,323.07	(40.9)	(40.9)	1,509,453.00	833,632.93	(44.7)	(44.7)
TOTAL FUND EXPENSES	237,868.72	398,946.89	(67.7)	(67.7)	2,854,425.00	398,946.89	86.0	86.0
SURPLUS (DEFICIT)	(112,081.01)	(324,623.82)	189.6	189.6	(1,344,972.00)	434,686.04	(132.3)	(132.3)

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #1 DISTRICT  
 FOR 3 PERIODS ENDING MARCH 31, 2014

DEPARTMENT DESCRIPTION	MARCH BUDGET	MARCH ACTUAL	%	VARI- ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	%	VARI- ANCE
REVENUES								
TID #1 DISTRICT	42,538.49	41.10	(99.9)		510,462.00	333,167.61	(34.7)	
TOTAL REVENUES	42,538.49	41.10	(99.9)		510,462.00	333,167.61	(34.7)	
EXPENSES								
TID #1 DISTRICT	41,166.75	0.00	100.0		494,001.00	0.00	100.0	
TOTAL EXPENSES	41,166.75	0.00	100.0		494,001.00	0.00	100.0	
TOTAL FUND REVENUES	42,538.49	41.10	(99.9)		510,462.00	333,167.61	(34.7)	
TOTAL FUND EXPENSES	41,166.75	0.00	100.0		494,001.00	0.00	100.0	
SURPLUS (DEFICIT)	1,371.74	41.10	(97.0)		16,461.00	333,167.61	1923.9	

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #3 DISTRICT MARCH 31, 2014  
 FOR 3 PERIODS ENDING

DEPARTMENT DESCRIPTION	MARCH BUDGET	MARCH ACTUAL	% VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	% VARI-ANCE
REVENUES						
TID #3 DISTRICT	18,960.15	52.16	(99.7)	227,522.00	26,482.04	(88.3)
TOTAL REVENUES	18,960.15	52.16	(99.7)	227,522.00	26,482.04	(88.3)
EXPENSES						
TID #3 DISTRICT	19,907.40	27,830.71	(39.8)	238,889.00	32,830.71	86.2
TOTAL EXPENSES	19,907.40	27,830.71	(39.8)	238,889.00	32,830.71	86.2
TOTAL FUND REVENUES	18,960.15	52.16	(99.7)	227,522.00	26,482.04	(88.3)
TOTAL FUND EXPENSES	19,907.40	27,830.71	(39.8)	238,889.00	32,830.71	86.2
SURPLUS (DEFICIT)	(947.25)	(27,778.55)	2832.5	(11,367.00)	(6,348.67)	(44.1)

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: TID #4 DISTRICT  
 FOR 3 PERIODS ENDING MARCH 31, 2014

DEPARTMENT DESCRIPTION	MARCH BUDGET	MARCH ACTUAL	%	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	%
<b>REVENUES</b>						
TID #4 DISTRICT	427,940.00	0.00	100.0	5,135,280.00	0.00	100.0
TOTAL REVENUES	427,940.00	0.00	100.0	5,135,280.00	0.00	100.0
<b>EXPENSES</b>						
TID #4 DISTRICT	383,125.06	20,527.81	94.6	4,597,501.00	31,717.88	99.3
TOTAL EXPENSES	383,125.06	20,527.81	94.6	4,597,501.00	31,717.88	99.3
<b>TOTAL FUND REVENUES</b>						
TOTAL FUND REVENUES	427,940.00	0.00	100.0	5,135,280.00	0.00	100.0
<b>TOTAL FUND EXPENSES</b>						
TOTAL FUND EXPENSES	383,125.06	20,527.81	94.6	4,597,501.00	31,717.88	99.3
<b>SURPLUS (DEFICIT)</b>						
SURPLUS (DEFICIT)	44,814.94	(20,527.81)	(145.8)	537,779.00	(31,717.88)	(105.8)

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: REVOLVING LOAN FUND (STATE)  
 FOR 3 PERIODS ENDING MARCH 31, 2014

DEPARTMENT DESCRIPTION	MARCH BUDGET	MARCH ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR ACTUAL	VARI-ANCE
REVENUES						
REVOLVING LOAN FUND (STATE)	812.47	1,338.00	64.6	9,750.00	3,685.41	(62.2)
TOTAL REVENUES	812.47	1,338.00	64.6	9,750.00	3,685.41	(62.2)
EXPENSES						
REVOLVING LOAN FUND (STATE)	983.32	0.00	100.0	11,800.00	35,000.00	(196.6)
TOTAL EXPENSES	983.32	0.00	100.0	11,800.00	35,000.00	(196.6)
TOTAL FUND REVENUES	812.47	1,338.00	64.6	9,750.00	3,685.41	(62.2)
TOTAL FUND EXPENSES	983.32	0.00	100.0	11,800.00	35,000.00	(196.6)
SURPLUS (DEFICIT)	(170.85)	1,338.00	(883.1)	(2,050.00)	(31,314.59)	1427.5

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

FOR FUND: SOLID WASTE ENTERPRISE  
 FOR 3 PERIODS ENDING MARCH 31, 2014

DEPARTMENT DESCRIPTION	MARCH BUDGET	MARCH ACTUAL	VARI-ANCE	FISCAL YEAR BUDGET	FISCAL YEAR-TO-DATE ACTUAL	VARI-ANCE
REVENUES						
SOLID WASTE ENTERPRISE FUND	41,171.64	38,143.88	(7.3)	494,060.00	99,745.43	(79.8)
TOTAL REVENUES	41,171.64	38,143.88	(7.3)	494,060.00	99,745.43	(79.8)
EXPENSES						
SOLID WASTE ENTERPRISE FUND	40,094.91	66,779.03	(66.5)	481,140.00	100,817.66	79.0
TOTAL EXPENSES	40,094.91	66,779.03	(66.5)	481,140.00	100,817.66	79.0
TOTAL FUND REVENUES	41,171.64	38,143.88	(7.3)	494,060.00	99,745.43	(79.8)
TOTAL FUND EXPENSES	40,094.91	66,779.03	(66.5)	481,140.00	100,817.66	79.0
SURPLUS (DEFICIT)	1,076.73	(28,635.15)	(2759.4)	12,920.00	(1,072.23)	(108.2)

CITY OF STURGEON BAY  
 SUMMARIZED REVENUE & EXPENSE REPORT

MUNICIPAL REPORT TOTALS  
 FOR 3 PERIODS ENDING MARCH 31, 2014

DEPARTMENT DESCRIPTION	MARCH		MARCH		FISCAL		FISCAL	
	BUDGET	ACTUAL	ACTUAL	VARI-ANCE	YEAR-BUDGET	YEAR-DATE	ACTUAL	VARI-ANCE
TOTAL MUNICIPAL REVENUES	1,692,691.80	212,256.61	212,256.61	(87.4)	20,312,307.00	6,259,828.22	6,259,828.22	(69.1)
TOTAL MUNICIPAL EXPENSES	1,754,206.93	1,323,462.76	1,323,462.76	24.5	21,050,511.00	2,710,942.64	2,710,942.64	87.1
SURPLUS (DEFICIT)	(61,515.13)	(1,111,206.15)	(1,111,206.15)	1706.3	(738,204.00)	3,548,885.58	3,548,885.58	(580.7)

**BEVERAGE OPERATOR LICENSES**

1. Blish, Mary Margaret
2. Glaeser, Brian J.
3. Guo, Fen Fa
4. Kaye, Angela M.
5. Paschke, Christopher E.
6. Peterson, Melinda J.
7. Poon, Wai Ping
8. Rodriguez, Laura S.
9. Strang, Max M.
10. Young, Teresa P.

7e.

7e.

**SIX MONTH CLASS B BEER LICENSE**

Aloha Classic, Inc.  
Agent: John McCormick  
Location: West Side Ballfield  
Sturgeon Bay, WI 54235  
May 12, 2014 – November 12, 2014

**TEMPORARY CLASS B BEER LICENSE**

Volunteer Center of Door County

Agent: Pam Seiler

Martin Park

Sturgeon Bay, WI 54235

July 2, 2014

July 23, 2014

Sturgeon Bay Open Bass Tournament

Agent: Denise Plassmeyer

Sawyer Park

Sturgeon Bay, WI 54235

May 15 – May 18, 2014

Sturgeon Bay Visitor Center

Agent: Amy DeMeter

Martin Park

Sturgeon Bay, WI 54235

July 8, 2014

7g.

7g.

**TEMPORARY CLASS B BEER & TEMPORARY CLASS B WINE LICENSES**

Side Pork Fest  
Agent: Carl Waterstreet  
Martin Park  
Sturgeon Bay, WI 54235  
May 30 – June 1, 2014

7h.

7h.

**COMBINATION CLASS B BEER & CLASS B LIQUOR LICENSE  
SURRENDER from NEIGHBORHOOD PUB, INC  
CONTINGENT UPON LICENSE BEING ISSUED TO:**

John Martin Restaurant of Door County, LLC  
Agent: Kim M. Engelbert  
50 South Third Avenue  
Sturgeon Bay, WI 54235  
May 7, 2014 – June 30, 2014

**CITY OF STURGEON BAY  
STREET CLOSURE APPLICATION**

Name of Applicant: Carl G. Water Street  
 Name of Event: Side Park Fest  
 Contact Phone Number: 920-495-8701  
 Date(s) of Event: May 31<sup>st</sup> Time: 7a - 10p  
 Estimated # of Attendees: 4,000  
 Specific Location: Martin Park - S 3<sup>rd</sup> + Pennsylvania

- Attach map of requested street closure area including barricade location, tent/booth location, or any street obstruction. This map must be in final form.
- Attach Certificate of Insurance with the City listed as additional insured. Limits as follows: Commercial General Liability - \$1,000,000 each occurrence limit; Fire Damage Limit - \$50,000 any one fire; Medical Expense Limit - \$5,000 any one person; and Workers Compensation - as required by the State of Wisconsin.
- Temporary Beer/Wine license has been applied for, approximately four weeks prior to the event date, by a qualified organization and fee paid. (if applicable.)
- Hold Harmless Agreement has been signed by Officer(s) of Event/Organization.
- Agreement for Reimbursement of Expenses has been signed by Officer(s) of Event/Organization.

What arrangements have been made for cleanup? City Dumpster

Other explanations: Close of San S 3<sup>rd</sup> from Oregon To Pennsylvania  
Pennsylvania from S 3<sup>rd</sup> To S. 1<sup>st</sup> Ave

Signature of Responsible Party: Carl G. Water

Address: 362 N. 18<sup>th</sup> Ave St. Bay WI 54235

Date Submitted: April 8, 2014

**Approval:**

Fire Chief	By: <u>[Signature]</u>	Date: <u>4/9/14</u>
Police Chief	By: <u>[Signature]</u>	Date: <u>4/9/14</u>
Comm. Development	By: <u>[Signature]</u>	Date: <u>4/11/14</u>
Streets/Parks	By: <u>[Signature]</u>	Date: <u>4/11/14</u>
City Clerk	By: <u>[Signature]</u>	Date: <u>4/21/14</u>
Finance Director	By: <u>[Signature]</u>	Date: <u>4/21/14</u>
City Engineer	By: <u>[Signature]</u>	Date: <u>4/14/2014</u>
City Administrator	By: <u>[Signature]</u>	Date: <u>4/15/2014</u>

Common Council: Date of Meeting: \_\_\_\_\_

RECOMMENDATION

TO THE COMMON COUNCIL:

We, the Finance/Purchasing & Building Committee, hereby recommend to repeal and recreate Section 3.05 of the City of Sturgeon Bay Municipal Code-Budget as attached.

Respectfully submitted,  
FINANCE/PURCHASING & BUILDING  
COMMITTEE

By: Joseph Stutting, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: April 8, 2014

\*\*\*\*\*

Introduced by \_\_\_\_\_.

Moved by Alderperson \_\_\_\_\_ seconded by

Alderperson \_\_\_\_\_ that said recommendation be adopted.

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

EXECUTIVE SUMMARY

TITLE: Municipal Code: Section 3.05 - Budget

BACKGROUND: Section 3.05 of the Municipal Code details the City's budget presentation and adoption process.

Through the years, the process has evolved from the Finance/Purchasing and Building Committee to the Committee of the Whole. Accordingly, this item is a housekeeping re-write of Section 3.05 of the Municipal Code to reflect the City's current practice.

Attached you will find a relined version of Section 3.05 of the City's Municipal Code, re: Budget Ordinance

FISCAL IMPACT: \$0

OPTIONS: Approve or deny the proposed revisions to the City's Budget Ordinance, Section 3.05 of the Municipal Code.

RECOMMENDATION:

Repeal and recreate Section 3.05 of the Municipal Code - Budget

PREPARED BY: Valerie J. Clarizio  
Valerie J. Clarizio  
Finance Director/City Treasurer

4/2/15  
Date

APPROVED BY: Stephen McNeil  
Stephen McNeil  
City Administrator

4/2/14  
Date

### 3.05 Budget.

- (1) *Departmental estimates.* On or before September 15 of each year, each officer, department or board shall file with the clerk-treasurer an itemized statement of disbursements made to carry out the powers and duty of such officer or department during the preceding fiscal year, and a detailed statement of the receipts and disbursements on account of any special fund under the supervision of such officer or department during such year, and of the condition and management of such fund; also detailed estimates of the same matters for the current fiscal year and for the ensuing fiscal year. Such statement shall be presented in the form prescribed by the clerk-treasurer and shall be designated as "Departmental Estimates," and shall be as nearly uniform as possible for the main divisions of all departments.
- (2) ~~Finance/purchasing and building committee~~ Committee of the Whole to consider estimates. The ~~finance/purchasing and building committee~~ Committee of the Whole shall consider such departmental estimates in consultation with the department head, and shall then determine the total amount to be recommended in the budget for such department or activity.
- (3) ~~Finance/purchasing and building committee~~ Committee of the Whole to prepare proposed budget.
  - (a) *Information to be included.* On or before October 28 each year, the ~~finance/purchasing and building committee~~ Committee of the Whole shall prepare and submit to the council a proposed budget presenting a financial plan for conducting the affairs of the city for the ensuing calendar year. The budget shall include the following information:
    1. The expense of conducting each department and activity of the city for the ensuing fiscal year and corresponding items for the current year and last preceding fiscal year, ~~with reasons for increases and decreases recommended as compared with appropriations for the current year.~~
    2. An itemization of all anticipated income of the city from sources other than general property taxes and bonds issued with a comparative statement of the amounts received by the city from each of the same or similar sources for the last preceding and current fiscal year.
    3. An itemization of the amount of money to be raised from general property taxes which, with income from other sources, will be necessary to meet the proposed expenditures.

4. Such other information as may be required by the council and by state law.
5. The council shall provide a reasonable number of copies of the budget thus prepared for distribution to citizens.

(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~~levy 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. Budget/levy amendments will be conducted in accordance with Wisconsin Statutes.

(Code 1992, § 3.05)

7k.

7k.

RECOMMENDATION

TO THE COMMON COUNCIL:

We, the Finance/Purchasing & Building Committee, hereby recommend to renew the contract with Milliman to provide the GASB 45 Actuarial Valuation services for the City in the amount of \$7,000 for the years beginning January 1, 2014 and ending December 31, 2016.

Respectfully submitted,  
FINANCE/PURCHASING & BUILDING  
COMMITTEE

By: Joseph Stutting, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: April 8, 2014

\*\*\*\*\*

Introduced by \_\_\_\_\_.

Moved by Alderperson \_\_\_\_\_ seconded by

Alderperson \_\_\_\_\_ that said recommendation be adopted.

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

## EXECUTIVE SUMMARY

**TITLE:** Renew contract with Milliman Re: GASB 45 Actuarial Valuation

**BACKGROUND:** The Governmental Accounting Standards Board (GASB) requires that municipalities value, and if material, book liabilities for other post employment benefits (OPEB) such as retiree health, dental and life insurance benefits. The City's only OPEB's are implicit rate subsidies for retiree insurance benefits in which the City requires retirees to pay the entire cost of their health, dental and life insurance premiums.

The City first contracted with Milliman in 2008 for actuarial services, and then renewed the contract in 2011.

As per the City's Purchasing Policy, service contracts under \$75,000 may be renewed without going out to bid. Milliman has been great to work with, and the City's auditors have been pleased with the actuarial reports provided by Milliman.

Attached are the Consulting Services and Business Associate Agreements between the City and Milliman which were approved by the Council in 2008 and again in 2011, and the new 2014 Actuarial Valuation Proposal from Milliman. In the event the Council renews the contract with Milliman for the GASB 45 (OPEB) Actuarial Valuation services, the terms of the 2008 agreements will simply be extended through the new three year period.

**FISCAL IMPACT:** Contracting with Milliman for GASB 45 Actuarial Valuation Services will cost \$7,000.

- OPTIONS:**
- 1) Renew the contract with Milliman to provide the GASB 45 Actuarial Valuation services for the City in the amount of \$7,000 for the years beginning January 1, 2014 and ending December 31, 2016.
  - 2) Do not renew the contract with Milliman to provide the GASB 45 Actuarial Valuation services for the City in the amount of \$7,000 for the years beginning January 1, 2014 and ending December 31, 2016 and re-bid the service contract.

RECOMMENDATION:

Renew the contract with Milliman to provide the GASB 45 Actuarial Valuation services for the City in the amount of \$7,000 for the years beginning January 1, 2014 and ending December 31, 2016.

PREPARED BY: Valerie J. Clarizio 4/2/14  
Valerie J. Clarizio Date  
Finance Director/City Treasurer

REVIEWED BY: Stephen McNeil 4/3/14  
Stephen McNeil Date  
City Administrator



15800 Bluemound Road  
Suite 100  
Brookfield, WI 53005  
USA  
Tel +1 262 784 2250  
Fax +1 262 923 3680

milliman.com

Clark E. Slipher, FSA, MAAA  
Principal and Consulting Actuary

clark.slipher@milliman.com

March 27, 2014

Ms. Valerie J. Clarizio, CPFO  
Finance Director / City Treasurer  
City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, WI 54235

*[Sent via email: vclarizio@sturgeonbaywi.org]*

**Re: City of Sturgeon Bay, WI GASB 45 Actuarial Valuation Proposal**

Dear Valerie:

Thank you for the opportunity to submit this proposal to perform an actuarial valuation of the City of Sturgeon Bay's obligation for Other Post Employment Benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB 45). We last performed this study for Sturgeon Bay as of year-end 2010 (which we understand you used for 2011, 2012, and 2013). We look forward to working with you again to update the OPEB study for the three-year period beginning January 1, 2014 and ending December 31, 2016.

#### **PROPOSED SERVICES**

Milliman will provide an actuarial valuation of Sturgeon Bay's GASB 45 obligation, including the following services:

- Development of actuarial assumptions, including estimating retiree medical claim cost assumptions.
- Calculation of the GASB 45 accumulated postretirement benefit obligation and associated annual required contribution.
- Preparation of associated disclosure items for Sturgeon Bay's auditors.
- Ten-year projection of cash flow and the GASB 45 net periodic benefit cost.
- Breakdown of results between represented and non-represented groups for the City.
- Written summary of results, assumptions, and methodology.

You should be able to use this actuarial valuation report for the three years from January 1, 2014 through December 31, 2016 according to GASB 45 (because the City has less than 200 participants in the retiree health insurance plan, and assuming no significant changes to your benefit plan or enrollment). However, you should verify with your auditors how often to update the actuarial calculations.



Ms. Valerie J. Clarizio, CPFO  
City of Sturgeon Bay  
March 27, 2014  
Page 2 of 3

## **ABOUT MILLIMAN AND YOUR CONSULTANTS**

Milliman, Inc. is a leading nationwide independent actuarial consulting firm with 54 offices. Established in 1947, Milliman has about 2,400 employees. We consult in four major areas: health insurance, retirement plans, casualty insurance, and life insurance. Our health-consulting clients include large public and private employers, insurance companies, health maintenance organizations, healthcare providers, governmental organizations, and other risk-taking entities.

Staff from Milliman's Chicago-Milwaukee office will provide services for Sturgeon Bay. Our Chicago-Milwaukee office employs over 425 employees in all consulting areas and consults both locally and nationally. We have conducted GASB 45 valuations for at least 20 Wisconsin governmental entities within the past several years.

## **DATA REQUEST**

Please see the attached Data Request worksheet for a list of the information Milliman will need to complete this project. The first tab of the worksheet describes the general data needs. The second and third tabs provide a format we would like you to use to provide the data. The fourth tab contains some additional questions to clarify some of the parameters of the study. We have answered some of the questions to the best of our knowledge based on the answers from the year end 2010 study. Please review our responses, make changes where appropriate, and provide answers to the remaining questions.

## **TIMING AND FEES**

Milliman will finish its evaluation within four to six weeks of receiving all requested data from Sturgeon Bay.

Milliman proposes a flat fee of \$7,000 for this project based upon:

- Receipt of accurate data prepared in accordance with the data request template provided.
- Results are communicated in our standard written report, without customization.
- Valuation of the current plan design, without alternatives.

Regular time-and-expense charges will apply in addition to the flat fee for work by Milliman that is related to data that is not provided according to specifications or for work that exceeds the scope of the services described in this letter.

Sturgeon Bay Utilities are assumed to be excluded from this analysis.

Often, clients would like a presentation of the results to their Board or would like some testing of benefit alternatives. Sturgeon Bay may desire to set aside an additional budget of \$2,000 to \$3,000 in case you would like to engage us for these optional services.



Ms. Valerie J. Clarizio, CPFO  
City of Sturgeon Bay  
March 27, 2014  
Page 3 of 3

**CONSULTING SERVICES AGREEMENT**

Should you choose to accept our proposal, the project will be subject to the terms of the Consulting Services Agreement between Milliman and the City of Sturgeon Bay signed September 10, 2008.



I hope we can work with the City of Surgeon Bay and you on this project. Please sign and return a copy of this letter to proceed with this project. Please call Sandy Mertes or me (262-784-2250) with any questions you may have.

Thank you!

Sincerely,

Clark E. Slipher, FSA, MAAA  
Principal and Consulting Actuary

CES/kal

Attachment

**GASB 45 Proposal**

**Accepted by:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
City of Sturgeon Bay  
Company

\_\_\_\_\_  
Date

## CONSULTING SERVICES AGREEMENT

Page 1 of 3

This Agreement is entered into between Milliman, Inc. (Milliman) and City of Sturgeon Bay, Wisconsin (Client) as of September 9, 2008. Client has engaged Milliman to perform consulting services as described in the attached letter of September 9, 2008. Such services may be modified from time to time and may also include general actuarial consulting services. These terms and conditions will apply to all subsequent engagements of Milliman by Client unless specifically disclaimed in writing by both parties prior to the beginning of the engagement. In consideration for Milliman agreeing to perform these services, Client agrees as follows.

1. **BILLING TERMS.** Client acknowledges the obligation to pay Milliman for services rendered at the fixed fees listed in the attached letter of September 9, 2008. Client agrees to pay for services outside the scope of the services listed in the September 9, 2008 letter, whether arising from Client's request or otherwise necessary as a result of this engagement, at Milliman's standard hourly billing rates for the personnel utilized plus all out-of-pocket expenses incurred. Milliman will bill Client periodically for services rendered and expenses incurred. All invoices are payable upon receipt. Milliman reserves the right to stop all work if any bill goes unpaid for 60 days. In the event of such termination, Milliman shall be entitled to collect the outstanding balance, as well as charges for all services and expenses incurred up to the date of termination.
2. **TOOL DEVELOPMENT.** Milliman shall retain all rights, title and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret and other intellectual property rights) in and to all technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents and templates that have been previously developed by Milliman or developed during the course of the provision of the Services provided such generic documents or templates do not contain any Client Confidential Information or proprietary data. Rights and ownership by Milliman of original technical designs, methods, ideas, concepts, know-how, and techniques shall not extend to or include all or any part of Client's proprietary data or Client Confidential Information. To the extent that Milliman may include in the materials any pre-existing Milliman proprietary information or other protected Milliman materials, Milliman agrees that Client shall be deemed to have a fully paid up license to make copies of the Milliman owned materials as part of this engagement for its internal business purposes and provided that such materials cannot be modified or distributed outside the Client without the written permission of Milliman.
3. **LIMITATION OF LIABILITY.** Milliman will perform all services in accordance with applicable professional standards. The parties agree that Milliman, its officers, directors, agents and employees, shall not be liable to Client, under any theory of law

## CONSULTING SERVICES AGREEMENT

Page 2 of 3

including negligence, tort, breach of contract or otherwise, for any damages in excess of 5 times the professional fees paid to Milliman with respect to the work in question. In no event shall Milliman be liable for lost profits of Client or any other type of incidental or consequential damages. The foregoing limitations shall not apply in the event of the intentional fraud or willful misconduct of Milliman

4. **DISPUTES.** In the event of any dispute arising out of or relating to the engagement of Milliman by Client, the parties agree that the dispute will be resolved by final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall take place before a panel of three arbitrators. Within 30 days of the commencement of the arbitration, each party shall designate in writing a single neutral and independent arbitrator. The two arbitrators designated by the parties shall then select a third arbitrator. The arbitrators shall have a background in either insurance, actuarial science or law. The arbitrators shall have the authority to permit limited discovery, including depositions, prior to the arbitration hearing, and such discovery shall be conducted consistent with the Federal Rules of Civil Procedure. The arbitrators shall have no power or authority to award punitive or exemplary damages. The arbitrators may, in their discretion, award the cost of the arbitration, including reasonable attorney fees, to the prevailing party. Any award made may be confirmed in any court having jurisdiction. Any arbitration shall be confidential, and except as required by law, neither party may disclose the content or results of any arbitration hereunder without the prior written consent of the other parties, except that disclosure is permitted to a party's auditors and legal advisors.
  
5. **CHOICE OF LAW.** The construction, interpretation, and enforcement of this Agreement shall be governed by the substantive contract law of the State of Wisconsin without regard to its conflict of laws provisions. In the event any provision of this Agreement is unenforceable, then the parties agree that New York law, and not Wisconsin law shall apply to that clause. In the event any provision of this agreement is unenforceable as a matter of law, the remaining provisions will stay in full force and effect.
  
6. **NO THIRD PARTY DISTRIBUTION.** Milliman's work is prepared solely for the internal business use of Client. Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of its work product, even if Milliman consents to the release of its work product to such third party. Milliman understands that work for the Client may be subject to Wisconsin open records laws.

CONSULTING SERVICES AGREEMENT

7. **CONFIDENTIALITY.** Any information received from Client will be considered "Confidential Information." However, information received from Client will not be considered Confidential Information if (a) the information is or comes to be generally available to the public during the course of Milliman's work, (b) the information was independently developed by Milliman without resort to information from the Client, or (c) Milliman appropriately receives the information from another source who is not under an obligation of confidentiality to Client. Milliman agrees that Confidential Information shall not be disclosed to any third party.

MILLIMAN, INC.

CITY OF STURGEON BAY,  
WISCONSIN

By: Clark E. Slipher

By: Thomas Volzelle  
Stephanie Reinhardt

Name: Clark E. Slipher

Name: Thomas Volzelle  
Stephanie Reinhardt

Title: Consulting Actuary

Title: Mayor  
City Clerk

Date: September 9, 2008

Date: 9/10/08

## BUSINESS ASSOCIATE AGREEMENT

Page 1 of 4

This BUSINESS ASSOCIATE AGREEMENT ("Agreement") is entered into on this day, 10<sup>th</sup>  
day of September 2008, by and between the City of Sturgeon Bay ("the Client") and  
Milliman, Inc. ("Milliman").

### RECITALS

A. The Client is a Covered Entity and is therefore subject to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulations, including the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Rule") and the Security Standards for the Protection of Electronic Protected Health Information (the "Security Rule").

B. Protected Health Information ("PHI") received from the Client or created or received by Milliman on behalf of the Client may be needed for Milliman to perform the services (the "Services") requested by the Client and described in the Consulting Services Agreement/Engagement Letter dated Tuesday, September 09, 2008, which is attached hereto and made a part hereof (the "Consulting Services Agreement").

C. Milliman and the Client agree that to the extent Milliman needs to access PHI to perform the Services, it will be acting as a Business Associate of the Client and may use PHI only as described in this Business Associate Agreement.

### AGREEMENTS

In consideration of the Recitals and the mutual Agreements which follow, the parties agree as follows:

1. Defined Terms. Capitalized terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Rule and the Security Rule.

2. Milliman's Obligations and Permitted Activities.

(a) Milliman agrees to not use or further disclose PHI other than as required to perform the Services, requested by the Client or Required by Law.

(b) Milliman agrees to use reasonable safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement, and shall develop, implement, maintain and use appropriate administrative procedures, and physical and technical safeguards, to reasonably preserve and protect the confidentiality, integrity and availability of electronic PHI.

(c) Milliman agrees to report to the Client any use or disclosure of PHI not provided for by this Agreement. In addition, Milliman agrees to report to the Client any Security Incident of which Milliman becomes aware; provided, however, that the parties acknowledge and agree that this section constitutes notice by Milliman to the Client of the existence and occurrence of any and all attempted but unsuccessful Security Incidents arising during the term of this Agreement. Unsuccessful Security Incidents shall include, but not be limited to, pings and other broadcast attacks on Milliman's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as such incidents do not result in unauthorized access, use or disclosure of the Client's electronic PHI.

## BUSINESS ASSOCIATE AGREEMENT

Page 2 of 4

(d) Milliman agrees to ensure that any agent or subcontractor to whom it provides PHI agrees to the same restrictions and conditions that apply through this Agreement to Milliman with respect to such PHI.

(e) If, in order to determine the Client's compliance with the Privacy Rule, the Secretary requires access to Milliman's internal practices, books and records relating to the use and disclosure of PHI, Milliman agrees to make such information reasonably available.

(f) At the Client's written request, Milliman agrees to provide access to PHI maintained in a Designated Record Set in order to assist the Client in meeting its requirements under the Privacy Rule.

(g) At the Client's written request, Milliman agrees to make any amendment(s) to PHI maintained in a Designated Record Set as the Client directs or agrees to pursuant to the Privacy Rule.

(h) At the Client's written request, Milliman agrees to assist in documenting disclosures of PHI made by Milliman as necessary to permit the Client to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with the Privacy Rule. The Client acknowledges and agrees that neither this Agreement nor the Consulting Services Agreement require Milliman to make any disclosure for which an accounting would be required under the Privacy Rule.

(i) Milliman may disclose PHI for Milliman's proper management and administration, provided that: (i) Milliman obtains reasonable assurances from the person to whom PHI is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person; and (ii) the person notifies Milliman of any instances of which it is aware in which the confidentiality of PHI has been breached. Milliman also may make disclosures that are required by law.

(j) Milliman may use PHI to provide Data Aggregation services to the Client as permitted by the Privacy Rule.

(k) Milliman may, at its option:

(i) De-identify PHI in accordance with the requirements of the Privacy Rule and maintain such de-identified health information indefinitely; provided that all identifiers are destroyed or returned in accordance with this Agreement.

(ii) Create a limited data set for the purpose of providing the Services, provided that Milliman:

[a] Does not use or further disclose PHI contained in the limited data set except as necessary to provide the Services or as provided in this Agreement or otherwise Required By Law;

[b] Uses appropriate safeguards to prevent the use or disclosure of PHI contained in the limited data set other than as provided by this Agreement;

## BUSINESS ASSOCIATE AGREEMENT

Page 3 of 4

[c] Reports to the Client any use or disclosure of PHI contained in the limited data set of which Milliman becomes aware that is not provided for by this Agreement;

[d] Ensures that any agents or subcontractors to whom it provides access to the limited data set agrees to the same restrictions and conditions that apply to Milliman under this Agreement; and

[e] Does not re-identify PHI or contact the Individuals whose information is contained within the limited data set.

### 3. The Client's Obligations.

(a) The Client shall not request Milliman to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or the Security Rule if done by the Client. If the Client requests Milliman to make a disclosure for which an accounting must be created under this Agreement, the Client shall provide Milliman prior written notice that such request must be accounted for under the Privacy Rule so that Milliman may ensure its compliance with this requirement.

(b) The Client shall provide Milliman with only that PHI which is minimally necessary for Milliman to provide the Services.

(c) The Client shall clearly and conspicuously designate PHI as such before providing it to Milliman.

### 4. Term and Termination.

(a) Term. This Agreement shall be effective as of the date first written above, and shall terminate when all PHI is destroyed or returned to the Client. If Milliman determines, in accordance with subsection 4(c)(ii) below, that it is infeasible to return or destroy PHI, the protections of this Agreement with respect to such PHI shall remain in effect until such PHI is returned or destroyed.

(b) Termination. Upon the Client's knowledge of a material breach by Milliman, the Client shall either:

(i) Provide an opportunity for Milliman to cure the breach or end the violation and terminate this Agreement if Milliman does not cure the breach or end the violation within the time specified by the Client; or

(ii) Immediately terminate this Agreement if Milliman has breached a material term of this Agreement and cure is not possible.

### (c) Effect of Termination.

(i) Except as otherwise provided in subsection 4(c)(ii) below, upon termination of this Agreement for any reason, Milliman shall return or destroy all PHI. This provision shall apply to PHI that is in the possession of subcontractors or agents of Milliman.

**BUSINESS ASSOCIATE AGREEMENT**

(ii) If Milliman determines that returning or destroying any or all PHI is infeasible, Milliman shall extend the protections of this Agreement to such PHI, and limit further uses and disclosures of PHI to those purposes that make the return or destruction infeasible, for so long as Milliman maintains such PHI. The Client hereby acknowledges and agrees that infeasibility includes Milliman's need to retain PHI for purposes of complying with its work product documentation standards.

5. Miscellaneous.

(a) Regulatory References. A reference in this Agreement to a section in the Privacy Rule or the Security Rule means the section as in effect or as amended, and for which compliance is required.

(b) Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Client to comply with the requirements of the Privacy Rule, the Security Rule and HIPAA.

(c) Conflicts. Any provision of the Consulting Services Agreement that is directly contradictory to one or more terms of this Agreement ("Contradictory Term") shall be superceded by the terms of this Agreement only to the extent of the contradiction, only for the purpose of the Client's compliance with the Privacy Rule or the Security Rule and only to the extent that it is reasonably impossible to comply with both the Contradictory Term and the terms of this Agreement.

**MILLIMAN, INC.**

**CITY OF STURGEON BAY,  
WISCONSIN**

By: Clark E. Slipher

By: Stephanie R. Bernhardt

Name: Clark E. Slipher

Name: Thomas Volgele

Title: Consulting Actuary

Title: Mayor

Date: September 9, 2008

Date: 9/10/08

RECOMMENDATION

TO THE COMMON COUNCIL:

We, the Finance/Purchasing & Building Committee, hereby recommend to contract with Ehlers & Associates, Inc. to provide arbitrage monitoring services for the City for the \$5,420,000 bond issue dated December 30, 2013 with the option of contracting with Ehlers & Associates, Inc. for arbitrage monitoring services for future bond issues.

Respectfully submitted,  
FINANCE/PURCHASING & BUILDING  
COMMITTEE  
By: Joseph Stutting, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: April 8, 2014

\*\*\*\*\*

Introduced by \_\_\_\_\_.

Moved by Alderperson \_\_\_\_\_ seconded by

Alderperson \_\_\_\_\_ that said recommendation be adopted.

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

EXECUTIVE SUMMARY

TITLE: Contract for Arbitrage Monitoring Services

BACKGROUND: Due to the recent 2013 bond issue the City needs to contract with an arbitrage rebate specialist to monitor the City's tax exempt bond issues, and prepare and file the required IRS arbitrage reports. The City last contracted for this type of service in 2009 on a one-time basis. Since it is likely that debt will be issued more frequently in the upcoming years, it is recommended that the City contract with an arbitrage service provider who can provide this service as required, to ensure annual compliance with the complex arbitrage tax laws and exemptions.

Though the purchasing policy does not require proposals or bids for a budgeted service of this dollar amount, staff did contact the three firms who provided proposals during the last search for an arbitrage service provider. Of the three firms contracted, two of them have provided proposals.

As you can see on the attached proposals the base service fees for a basic bond issue are as follows:

Amtec: \$600 per bond year  
Ehlers: \$500-\$600 per bond year

FISCAL IMPACT: \$500-\$600 per bond issue per bond year (base fee)

OPTIONS: Contract with one of the two Arbitrage Monitoring Service providers listed above.

RECOMMENDATION:

Contract with Ehlers & Associates, Inc. to provide arbitrage monitoring services for the City for the \$5,420,000 bond issue dated 12/30/13 with the option of contracting with Ehlers & Associates, Inc., for arbitrage monitoring services for future bond issues.

PREPARED BY: Valerie J. Clarizio 4/2/14  
Valerie J. Clarizio Date  
Finance Director/City Treasurer

REVIEWED BY: Stephen McNeil 4/3/14  
Stephen McNeil Date  
City Administrator

# MASTER AGREEMENT FOR ARBITRAGE MONITORING SERVICES

City of Sturgeon Bay  
421 Michigan St  
Sturgeon Bay, WI 54235

Effective as of March 26, 2014  
For the following Obligation

\$5,420,000 General Obligation Refunding Bonds

With a Closing Date of December 30, 2013

Ehlers & Associates, Inc. ("Ehlers") and the City of Sturgeon Bay, Wisconsin ("Client") do hereby mutually agree to the following with regard to the provision of arbitrage monitoring services. In consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, it is agreed by and between Ehlers and Client as follows:

The above referenced obligation is subject to the arbitrage provisions of the Internal Revenue Code of 1986 and related Treasury regulations. To comply with the statute and regulations the Client must undertake certain calculations. Ehlers will provide certain arbitrage monitoring services for all funds related to this obligation to assist the Client in complying with the arbitrage provisions; all as more particularly described in this Agreement.

## EHLERS RESPONSIBILITIES - SCOPE OF SERVICES

Ehlers agrees to provide the following services to Client:

1. Review the following documents:
  - a. Information Return for Tax-Exempt Governmental Obligations (Form 8038-G)
  - b. Arbitrage Certificate
  - c. Official Statement
  - d. Addendum to Official Statement, if any
  - e. Closing Memorandum, if any
  - f. Post Sales Report, if any
  - g. Verification Report, if any
  - h. Prior Arbitrage Calculation, if any
  - i. Trust Indenture, if any
  - j. Credit Enhancement Agreement, if any
2. Calculate the Client's arbitrage liability under Section 148(f) of the Internal Revenue Code of 1986, as amended and applicable Treasury regulations in connection with this obligation, including:
  - a. Obtain nonpurpose investment transaction data for all funds related to this obligation
  - b. Review and analyze nonpurpose investment transaction data as required based on the aforementioned documents
  - c. Compute/verify the amount of spend-down penalties payable to the IRS for obligations applying such provisions
  - d. Confirm the arbitrage yield
  - e. Compute/verify the amount of excess earnings, if any, on nonpurpose investments and the value of those earnings as of the applicable computation date
  - f. Determine the rebate amount and rebate payment due to the IRS, if any
  - g. Compute/verify the yield reduction payment due on yield restricted nonpurpose

- investments, if any
  - h. Assist with the purchase of State and Local Government Series of U.S. Treasuries for yield restriction of the investments, if necessary
  - i. Prepare arbitrage reports, including computational methods and assumptions used in the analysis and conclusions supporting the calculation
  - j. Prepare IRS Form 8038-T or 8038-R, if required
  - k. Obtain a legal opinion for the arbitrage reports and IRS Form 8038-T or 8038-R, if required
  - l. Deliver arbitrage reports, along with legal opinion and IRS Form 8038-T or 8038-R, if applicable
3. Maintain a system for computing and tracking the arbitrage liability and future arbitrage computation dates, as necessary.
  4. Evaluate and make recommendations on record keeping practices for those funds and accounts subject to arbitrage compliance.
  5. Apprise Client of any changes in the arbitrage regulations that may occur during the term of this Agreement.

---

## CLIENT RESPONSIBILITIES

Client agrees to provide Ehlers with timely and accurate information regarding pertinent cash and investment activity as well as pertinent revenue and expenditure activities for all funds related to this review. The information that shall be provided includes:

1. A detailed transaction listing of revenues and expenditures made within all funds related to this obligation for the applicable computation period, including:
  - a. Deposits and withdrawals of gross proceeds, including all investment activity such as interest revenues
  - b. Any other information Ehlers may deem necessary to complete the calculations such as running balances
2. Client agrees to notify Ehlers of the full redemption of this obligation and obligations covered by subsequent Addenda prior to the final stated maturity date. Failure to do so will relieve Ehlers of any responsibilities under this Agreement.
3. Client agrees to notify Ehlers if the Client disagrees with any of the assumptions contained in the summary of computational information of the arbitrage report. Such notice will be made within ten business days upon Client's receipt of said report.

---

## FEE ARRANGEMENT

Ehlers will charge Client a base fee of \$500 per bond year to determine spending exceptions, bona fide debt service fund exemptions, penalty calculations, rebate amounts and yield reduction payments for all funds related to this obligation. Depending on the structure of the transaction, certain complexities may require computational work that extends beyond the scope of a standard arbitrage calculation. Conversely, the amount of computational work required to prepare future arbitrage calculations may decrease due to aggressive

expenditures of gross proceeds. In such instances, Ehlers will charge additional fees and/or offer discounts in accordance with the fee schedule set forth below.

Additions to Base Fee	
Variable rate obligation	\$500 annually
Commingled funds	\$195 per hour
Transferred proceeds analysis	\$500 to \$1,000 per obligation
Debt service residual analysis	\$195 per hour
Variable rate computation period analysis	To be negotiated
Universal cap analysis	To be negotiated
IRS Form 8038-T preparation	\$500 to \$1,000 per form
IRS Form 8038-R preparation	\$500 to \$1,000 per form
Legal opinion	To be determined

Discounts to Base Fee	
Monitoring of debt service fund only	\$250 per year
Monitoring of reserve fund only	\$250 per year
Monitoring of yield restriction only	\$250 per year
Discretionary discounts	To be determined by Ehlers

Ehlers will invoice Client for the amount due. The invoice will be sent in the same package as the report. The invoice is due and payable by the Client within 60 days of the invoice date. Other obligations may be covered by this Agreement in an Addendum. The fees shown in the Addendum may differ from those shown above.

### **LIMIT OF LIABILITY**

To the fullest extent permitted by applicable law, the total aggregate liability of Ehlers under this Agreement for any actions or omissions taken by Ehlers in the performance of this Agreement shall be limited to the fees paid by Client to Ehlers under this Agreement. However, such liability limitation shall not apply to the extent penalty and/or interest is imposed on Client by the IRS on any additional rebate amount or yield reduction payment that results from the gross negligence or intentional misconduct of Ehlers in rendering the services outlined in this Agreement. In such case, it is agreed that Ehlers will be liable only for penalty and/or interest imposed by the IRS on any additional rebate amount or yield reduction payment that results from the gross negligence or intentional misconduct of Ehlers. The Client is ultimately responsible for the completion and filing of IRS Form 8038-T or 8038-R. Client, and not Ehlers, shall be responsible for payment of any rebate amount or yield reduction payment due and any interest or penalty for failure to make timely payments. Under no circumstances shall any employee or agent of Ehlers have any personal liability arising out of this

Agreement and no party shall seek or claim any such personal liability.

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### **NO THIRD PARTY BENEFICIARY**

No third party shall have any rights or remedies under this Agreement. This Agreement is made solely for the benefit of the parties hereto, and no other person, partnership, limited liability company, association, or corporation shall acquire or have any rights under this Agreement.

---

### **CONFIDENTIALITY: DISCLOSURE OF INFORMATION**

**Client Information** All information, files, records, memoranda and other data of the Client ("Client Information") shall be deemed by the parties to be the property of Client. Ehlers may disclose Client Information to third parties in connection with the performance by it of its duties hereunder.

**Ehlers Information** Client acknowledges that in connection with the performance by Ehlers of its duties hereunder, Client may become aware of internal files, records, memoranda and other data, including without limitation computer programs of Ehlers ("Ehlers Information"). Client acknowledges that all Ehlers Information, except reports prepared by Ehlers for the Client, is confidential and proprietary to Ehlers, and agrees that Client will not, directly or indirectly, disclose the same or any part thereof to any person or entity except with the express written consent of Ehlers.

---

### **TERM / TERMINATION OF CONTRACT**

The term of this Agreement shall begin on the effective date of this Agreement and shall continue until such time as the above-referenced obligation is no longer outstanding. Either party may terminate this Agreement with or without cause at any time during the term of this Agreement by sending written notice of termination to the other party at least 30 days prior to the effective date of termination. Termination of this Agreement shall extend to the termination of all Addenda to this Agreement and the obligations covered by such Addenda. Should this Agreement be terminated, Ehlers shall be relieved of all liability for the above-referenced obligation and any obligations described in the Addenda to this Agreement.

---

### **SEVERABILITY**

To the extent any provision of this Agreement shall be determined invalid or unenforceable, the invalid or unenforceable portion shall be deleted from this Agreement, and the validity and enforceability of the remainder shall be unaffected.

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### **EVENT OF DEFAULT OR REFUNDING**

Ehlers is relieved of all its liability and obligations agreed to herein should Client be in default on its principal and/or interest payments due on the above referenced obligation. In addition, Ehlers is relieved of all its liability and obligations agreed to herein should the above referenced obligation be refunded.

---

### **ENTIRE AGREEMENT**

There are no representations, covenants, warranties, promises, agreements, conditions or undertakings, oral or written, between Client and Ehlers other than as set forth herein. Except or otherwise expressly provided herein, no subsequent alteration, amendment, change or addition to this Agreement shall be

binding upon Ehlers.

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**AMENDMENT**

Ehlers and Client may mutually agree in writing to amend the obligations covered by this Agreement (which amendment shall be reflected in an Addendum to this Agreement), the scope of services and/or the fee arrangement at any time. No modification, alteration, or amendment to this Agreement shall be binding upon any party hereto until such modification, alteration, or amendment is reduced to writing and duly executed by both parties hereto.

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**GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

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**NOTICE**

All notices given shall be in writing and shall be deemed to have been given when delivered, transmitted by first class, registered or certified mail, postage prepaid and addressed as follows:

If to Client:

City of Sturgeon Bay  
421 Michigan St  
Sturgeon Bay, WI 54235  
Attention: Finance Director/City Treasurer

If to Ehlers:

Ehlers & Associates, Inc.  
3060 Centre Pointe Drive  
Roseville, MN 55113  
Attention: President

---

In Witness Whereof, the parties have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_.

By: \_\_\_\_\_ Title: \_\_\_\_\_

**Ehlers & Associates, Inc.**

By: \_\_\_\_\_ Title: \_\_\_\_\_

## ADDENDUM CONTRACT FOR ARBITRAGE MONITORING SERVICES

City of Sturgeon Bay  
421 Michigan St  
Sturgeon Bay, WI 54235

Effective as of \_\_\_\_\_  
For the following Obligation

\$\_\_\_\_\_ General Obligation Refunding Bonds

With a Closing Date of \_\_\_\_\_

---

Except as otherwise provided in this Addendum, the terms of the Master Agreement for Arbitrage Monitoring Services dated March 26, 2014 shall govern in connection with the above-referenced obligation.

### FEE ARRANGEMENT

Ehlers will charge Client a base fee of \$500 per bond year to determine spending exceptions, bona fide debt service fund exemptions, penalty calculations, rebate amounts and yield reduction payments for all funds related to the obligation on an annual basis. Depending on the structure of the transaction, certain complexities may require computational work that extends beyond the scope of a standard arbitrage calculation. Conversely, the amount of computational work required to prepare future arbitrage calculations may decrease due to aggressive expenditures of gross proceeds. In such instances, Ehlers will charge additional fees and/or offer discounts in accordance with the fee schedule set forth below and on the next page.

Additions to Base Fee	
Variable rate obligation	\$500 annually
Commingled funds	\$195 per hour
Transferred proceeds analysis	\$500 to \$1,000 per obligation
Debt service residual analysis	\$195 per hour
Variable rate computation period analysis	To be negotiated
Universal cap analysis	To be negotiated
IRS Form 8038-T preparation	\$500 to \$1,000 per form
IRS Form 8038-R preparation	\$500 to \$1,000 per form
Legal opinion	To be determined

Discounts to Base Fee	
Monitoring of debt service fund only	\$250 per year
Monitoring of reserve fund only	\$250 per year
Monitoring of yield restriction only	\$250 per year
Discretionary discounts	To be determined by Ehlers

Ehlers will invoice Client for the amount due. The invoice will be sent in the same package as the report. The invoice is due and payable by the Client within 60 days of the invoice date.

In Witness Whereof, the parties have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_ Title: \_\_\_\_\_

**Ehlers & Associates, Inc.**

By: \_\_\_\_\_ Title: \_\_\_\_\_

**Arbitrage Rebate Computation  
Proposal For  
\$5,420,000  
City of Sturgeon Bay  
Door County, Wisconsin  
General Obligation Refunding Bonds**





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## TAX-EXEMPT COMPLIANCE

March 17, 2014

Ms. Valerie J. Clarizio, CPFO, CMTW, CPFA  
Finance Director/City Treasurer  
City of Sturgeon Bay  
421 Michigan St.  
Sturgeon Bay, WI 54235

Re: Arbitrage Rebate Computation Proposal for the \$5,420,000 City of Sturgeon Bay, Door County, Wisconsin, General Obligation Refunding Bonds

Dear Ms. Clarizio:

Thank you for requesting this Proposal for arbitrage rebate computations. AMTEC has the ability to complete rebate computations for the City of Sturgeon Bay (the "City") General Obligation Refunding Bonds (the "Bonds").

AMTEC is an independent consulting firm that specializes in arbitrage rebate calculations. We do not sell investments or seek an underwriting role. As a result of our specialization, we offer very competitive pricing for rebate computations. Our typical fee averages less than \$900 per year, per issue and includes up to five years of annual rebate liability reporting.

### **Firm History**

AMTEC, incorporated in 1990, maintains a prominent client base of cities, counties, school districts, state agencies, hospitals, colleges and universities and small town bond issuers throughout the United States. We have computed rebate for more than 4,600 bond issues and have delivered thousands of rebate reports. The IRS has never challenged our findings.

### **Regional Client Base**

We have serviced more than 123 bond issues aggregating in excess of \$1.6 billion in debt. As you know, we completed rebate computations for the City's 2005 and 2006 bond issues. We have also completed rebate computations for Dane County, the YMCA of Dodge County, Illinois Wesleyan University, the Board of Education of the City of Chicago, County of Washtenaw (MI) and the State of Montana Department of Natural Resources and Conservation, just to name a few of our clients.

Nationally, we have completed rebate computations for the Cities of Tulsa (OK), Santa Maria (CA), Salem (OR), Corpus Christi (TX), Hartford (CT) and Providence (RI), the States of Connecticut, New Jersey and West Virginia and many state agencies in Massachusetts including the College Building Authority and the School Building Authority.

## Proposal

We are proposing rebate computation services based on the following:

- Fixed Rate and Issue Size; and
- Escrow, Debt Service and Cost of Issuance Funds.

Our guaranteed fee for rebate computations is \$1,200 and provides service through the required reporting date for the Bonds. The fee is based upon the size of the issue, as well as its complexity. Our fee is payable upon your acceptance of our rebate reports, which will be delivered shortly after the report dates specified in the following table.

### \$5,420,000 General Obligation Refunding Bonds

Estimated Report Date	Type of Report	Period Covered	Fee
December 30, 2014	Rebate and Opinion	Closing – December 30, 2014	\$ 600
December 30, 2015	Rebate and Opinion	Closing – December 30, 2015	600
December 30, 2016	Rebate and Opinion	Closing – December 30, 2016	N/C
December 30, 2017	Rebate and Opinion	Closing – December 30, 2017	N/C
December 30, 2018	Rebate and Opinion	Closing – December 30, 2018	N/C
<b>Total</b>			<b>\$1,200</b>

In order to continue, we are requesting a listing of the bond and investment activity (including receipts, disbursements and interest earned), by date and amount, from December 30, 2013, the date of the closing, through each report date. Bank statements for this period will suffice. Our calculations require tracking the cash flow of bond proceeds for the entire computation period.

### AMTEC's Scope of Services

Our engagement includes, but is not limited to, the following services:

- Review of all bond documents and account statements for possible rebate exceptions;
- Computation of the rebate liability and/or the yield restricted amount, in accordance with Section 148 of the Internal Revenue Code, commencing with the date of the closing through the required reporting date of the Bonds;
- Calculation of the bond yield. Yield calculations performed prior to the closing often do not contain all requisite figures, resulting in inaccurate calculations for rebate purposes. This effort certifies we are presenting accurate information and enables us to issue our unqualified opinion;
- Reconciliation of the sources and uses of funds from the bond documentation;
- Calculation and analysis of the yield on all investments, subject to the Regulations, for each computation period;
- Production of rebate reports, indicating the above stated information, and the issuance of the AMTEC Opinion;
- Recommendations for proactive rebate management;
- Commingled funds, transferred proceeds and yield restriction analyses, if necessary;

- Preparation of IRS Form 8038-T and any accompanying documentation, should a rebate payment be required;
- We will discuss the results of our Reports with you and your auditors and provide our continued support in the event of an IRS inquiry; and
- We guarantee the completeness and accuracy of our work.

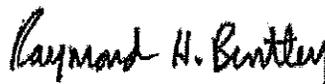
The City agrees to furnish AMTEC with the required documentation necessary to fulfill its obligation under the scope of services. The City will make available staff knowledgeable about the bond transactions, investments and disbursements of bond proceeds.

The City agrees to pay AMTEC its fee after it has been satisfied that the scope of services, as outlined under the Proposal, has been fulfilled. AMTEC agrees that its fee is all-inclusive and that it will not charge the City for any expenses connected with this engagement. The City has the option to terminate this Agreement within 30 days of notifying AMTEC of its intent.

The parties have executed this Agreement on \_\_\_\_\_, 2014.

City of Sturgeon Bay, Wisconsin

Consultant: American Municipal Tax-Exempt  
Compliance Corporation



By: \_\_\_\_\_  
Valerie J. Clarizio  
Finance Director/City Treasurer

By: \_\_\_\_\_  
Raymond H. Bentley  
President

7m.

7m.

RECOMMENDATION

TO THE COMMON COUNCIL:

We, the Finance/Purchasing & Building Committee, hereby recommend to repeal section 30.02, accommodations tax, distribution of revenue of the City of Sturgeon Bay Municipal Code to read as follows:

Repeal 30.02 - Distribution of revenue.

- (1) Beginning January 1, 2009, any amount the city collects over \$100,000.00 of its 30 percent share of revenue shall be remitted to the City of Sturgeon Bay Tourism Fund.

Respectfully submitted,  
 FINANCE/PURCHASING & BUILDING  
 COMMITTEE  
 By: Joseph Stutting, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: April 8, 2014

\*\*\*\*\*

Introduced by \_\_\_\_\_.

Moved by Alderperson \_\_\_\_\_ seconded by

Alderperson \_\_\_\_\_ that said recommendation be adopted.

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

EXECUTIVE SUMMARY

TITLE: Municipal Code: Section 30.02, Accommodations Tax, Distribution of Revenue

BACKGROUND: Section 30.02 of the Municipal Code details the City's distribution of its 30 percent share of room tax revenue:

**30.02 - Distribution of revenue.**

(1) Beginning January 1, 2009, any amount the city collects over \$100,000.00 of its 30 percent share of revenue shall be remitted to the City of Sturgeon Bay Tourism Fund.

As you may recall, during the 2011 and 2012 budget cycles the Common Council chose not to appropriate the excess room tax dollars over \$100,000 to the Sturgeon Bay Tourism Fund. Additionally, the Common Council chose to close the Sturgeon Bay Tourism Fund by December 31, 2012.

The purpose of this agenda item is to repeal section 30.02, Accommodations Tax, Distribution of Revenue, to reflect the current City practice.

FISCAL IMPACT: \$0, as the 2014 City budget has been prepared according to the current practice.

OPTIONS: Approve or deny repealing section 30.02, Accommodations Tax, Distribution of Revenue.

RECOMMENDATION:

Repeal section 30.02, Accommodations Tax, Distribution of Revenue.

PREPARED BY:

Valerie J. Clarizio  
Valerie J. Clarizio  
Finance Director/City Treasurer

3/24/14  
Date

REVIEWED BY:

Stephanie L. Reinhardt  
Stephanie L. Reinhardt  
City Clerk/Human Resources Director

3/24/14  
Date

APPROVED BY:

Stephen McNeil  
Stephen McNeil  
City Administrator

3/24/14  
Date

ORDINANCE NO. \_\_\_\_\_

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

SECTION 1: 30.02(1) the Municipal Code of the City of Sturgeon Bay, Wisconsin is  
hereby repealed:

~~30.02 Distribution of Revenue~~

~~(1) Beginning January 1, 2009, any amount the city collects over  
\$100,000.00 of its 30 percent share of revenue shall be remitted to the  
City of Sturgeon Bay Tourism Fund.~~

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

Approved:

\_\_\_\_\_  
Thad Birmingham, Mayor

\_\_\_\_\_  
Stephanie L. Reinhardt, City Clerk

## Chapter 30 - ACCOMMODATIONS TAX <sup>[5]</sup>

### 30.01 - Room tax.

(6) *[Distribution of room tax.]* Upon receipt of the room taxes that are collected for the City of Sturgeon Bay, the commission shall distribute 30 percent of the room taxes to the city clerk for such purposes as the Sturgeon Bay Common Council shall determine. The commission shall distribute 66 percent of the room taxes to the tourism entity subject to the provisions of the intergovernmental agreement and entity agreement. The commission may retain up to four percent of the room taxes collected for administrative expenses.

### ~~30.02 - Distribution of revenue.~~

~~(1) Beginning January 1, 2009, any amount the city collects over \$100,000.00 of its 30 percent share of revenue shall be remitted to the City of Sturgeon Bay Tourism Fund.~~

RECOMMENDATION

TO THE COMMON COUNCIL:

We, the Finance/Purchasing & Building Committee, hereby recommend to accept the Schenck Government & Not-For-Profit Solutions 2013 financial audit report for the City of Sturgeon Bay and place it on file.

Respectfully submitted,  
FINANCE/PURCHASING & BUILDING  
COMMITTEE  
By: Joseph Stutting, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: April 29, 2014

\*\*\*\*\*

Introduced by \_\_\_\_\_.

Moved by Alderperson \_\_\_\_\_ seconded by

Aldersperson \_\_\_\_\_ that said recommendation be adopted.

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

EXECUTIVE SUMMARY

TITLE: 2013 Audit

BACKGROUND: Schenck Government & Not-For-Profit Solutions has completed the 2013 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 \$16,880.

OPTIONS: Accept or reject the Schenck Government & Not-For-Profit Solutions 2013 audit report.

RECOMMENDATION:  
Recommend to the Common Council to accept the Schenck Government & Not-For-Profit Solutions 2013 financial audit report for the City of Sturgeon Bay and place it on file.

PREPARED BY: Valerie J. Clarizio 4/21/14  
Valerie J. Clarizio Date  
Finance Director/City Treasurer

REVIEWED BY: Stephen McNeil 4/21/14  
Stephen McNeil Date  
City Administrator

**MANAGEMENT COMMUNICATIONS**  
**CITY OF STURGEON BAY, WISCONSIN**  
**DECEMBER 31, 2013**

**CITY OF STURGEON BAY, WISCONSIN**  
December 31, 2013

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**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, 2013. The City's financial statements, including our report thereon dated April 3, 2014, 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, 2013, 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 opinions 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 58 - 59 of the annual report.



Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. 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 not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the City's internal control to be a significant deficiency:

Finding 2013-001 Preparation of Annual Financial Report

This finding is described in detail in the schedule of findings and responses on page 60 of the annual 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. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no significant transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. To the best of our knowledge, all significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates 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. 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. 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 3, 2014. 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, to the best of our knowledge, our responses were not a condition to our retention.

This communication, which does not affect our report dated April 3, 2014 on the financial statements of the City, is intended solely for the information and use of the City Council, management, and others within the City, 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 3, 2014

**SUMMARY FINANCIAL INFORMATION**

**1. City Governmental Fund Balances**

Presented below is a summary of governmental fund balances on December 31, 2013, including a comparison to the prior year. The information is provided for assessing financial results for 2013 and for indicating financial resources available for 2014 and subsequent years.

	12/31/13	12/31/12
<b>General Fund</b>		
Nonspendable		
Inventories and prepaid items	\$ 1,125	\$ 1,190
Assigned for subsequent expenditures	416,547	308,542
Unassigned	2,947,883	2,694,320
<b>Total General Fund</b>	3,365,555	3,004,052
<b>Special Revenue Funds</b>		
Restricted		
Revolving loan	153,681	351,455
Assigned		
Cable TV	251,864	212,832
<b>Total Special Revenue Funds</b>	405,545	564,287
<b>Capital Projects Funds</b>		
Restricted		
Tax Increment Districts		
#1 - Industrial Park	156,496	146,002
#2 - Waterfront District	1,735,196	3,041,569
#3 - Blight Elimination	610,752	463,881
Assigned		
Capital Improvements	2,369,069	2,441,933
Unassigned		
#4 - West Waterfront	(407,773)	-
<b>Total Capital Projects Funds</b>	4,463,740	6,093,385
<b>Total Governmental Funds</b>	<b>\$ 8,234,840</b>	<b>\$ 9,661,724</b>

The following is a calculation of the working capital reserve approved for the general fund at December 31, 2013:

Calendar 2014 operating budget	\$ 10,137,400
Reserve percentage	x .25
<b>RESERVE</b>	<b>\$ 2,534,350</b>

The excess of the general fund unassigned balance over the working capital reserve is \$413,533. The City used \$416,547 of the 2013 excess to finance expenditures for 2014. In the Capital Improvements fund, the entire balance has been assigned to 2014.

**CITY OF STURGEON BAY, WISCONSIN**  
**TAX INCREMENTAL FINANCING DISTRICT NO. 1 ANNUAL REPORT**  
For the Year Ended December 31, 2013

Date Created: January 1, 1991

Date Approved: September 20, 1991

Latest Possible Termination Date: December 31, 2028

	Current Year	Cumulative
<b>Revenues</b>		
Tax increments	\$ 457,752	\$ 4,817,843
Other	10,494	1,742,346
<b>Total Revenues</b>	<u>468,246</u>	<u>6,560,189</u>
<b>Expenditures</b>		
Planning and administration	-	102,664
Capital outlay	-	2,205,594
Interest	-	1,293,401
Bond issuance costs	-	110,399
<b>Total Expenditures</b>	<u>-</u>	<u>3,712,058</u>
<b>Subtotal Excess Recovered Project Costs</b>		2,848,131
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)		(384,801)
Transfer to Tax Incremental district #2 & #3 (Year 6)		(453,438)
Transfer to Tax Incremental district #2 & #3 (Year 7)		<u>(457,752)</u>
<b>Net Excess Recovered Project Costs</b>		<u>\$ 156,496</u>
<b>Outstanding Long-term Debt at December 31, 2013</b>		<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**  
For the Year Ended December 31, 2013

Date Created: January 1, 1994

Date Approved: September 6, 1994

Latest Possible Termination Date: December 31, 2031

	Current Year	Cumulative
<b>Revenues</b>		
Tax increments	\$ 1,191,505	\$ 17,696,812
Other	164,550	8,629,887
<b>Total Revenues</b>	<b>1,356,055</b>	<b>26,326,699</b>
<b>Expenditures</b>		
Planning and administration	28,571	1,317,883
Capital outlay	153,784	28,213,866
Interest	942,192	17,180,844
Bond refunding costs	348,280	1,093,810
<b>Total Expenditures</b>	<b>1,472,827</b>	<b>47,806,403</b>
<b>Subtotal Unreimbursed Project Costs</b>		<b>21,479,704</b>
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)		(263,124)
Transfer from Tax incremental district #1 (Year 6)		(328,043)
Transfer from Tax incremental district #1 (Year 7)		(326,422)
<b>Net Unreimbursed Project Costs</b>		<b>\$ 19,282,390</b>
<b>Outstanding Long-term Debt at December 31, 2013</b>		<b>\$ 21,017,586</b>

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**  
For the Year Ended December 31, 2013

Date Created: January 1, 2008

Date Approved: October 2, 2008

Latest Possible Termination Date: December 31, 2034

	Current Year	Cumulative
<b>Revenues</b>		
Tax increments	\$ -	\$ 8,034
Other	94,710	594,109
<b>Total Revenues</b>	<u>94,710</u>	<u>602,143</u>
<b>Expenditures</b>		
Planning and administration	7,300	139,015
Capital outlay	74,600	1,874,653
Interest	62,268	227,043
<b>Total Expenditures</b>	<u>144,168</u>	<u>2,240,711</u>
<b>Subtotal Unreimbursed Project Costs</b>		1,638,568
Transfer from Tax incremental district #1 (Year 3)		(56,465)
Transfer from Tax incremental district #1 (Year 4)		(59,454)
Transfer from Tax incremental district #1 (Year 5)		(121,677)
Transfer from Tax incremental district #1 (Year 6)		(125,395)
Transfer from Tax incremental district #1 (Year 7)		<u>(131,330)</u>
<b>Net Unreimbursed Project Costs</b>		<u>\$ 1,144,247</u>
<b>Outstanding Long-term Debt at December 31, 2013</b>		<u>\$ 1,755,000</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. 4 ANNUAL REPORT**  
For the Year Ended December 31, 2013

Date Created: January 1, 2013

Date Approved: March 19, 2013

Latest Possible Termination Date: December 31, 2040

	Current Year	Cumulative
Revenues		
Tax Increments	\$ -	\$ -
Other	-	-
Total Revenues	<u>-</u>	<u>-</u>
Expenditures		
Planning and administration	304,869	304,869
Capital outlay	102,904	102,904
Total Expenditures	<u>407,773</u>	<u>407,773</u>
Net Unreimbursed Project Costs		<u>\$ 407,773</u>
Outstanding Long-term Debt at December 31, 2013		<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.

## SUMMARY FINANCIAL INFORMATION

### 2. Sturgeon Bay Utilities

A condensed income statement showing the results of operations for the year ended December 31, 2013, including a comparison to 2012 follows:

	Water	Electric	Sewer	Total
<b>Operating Revenues</b>				
Charges for services	\$ 1,998,729	\$ 15,681,551	\$ 2,034,150	\$ 19,714,430
Other	71,183	302,497	14,752	388,432
	<u>2,069,912</u>	<u>15,984,048</u>	<u>2,048,902</u>	<u>20,102,862</u>
<b>Operating Expenses</b>				
Operation and maintenance	1,236,962	13,471,196	1,237,535	15,945,693
Depreciation	401,827	1,038,411	446,584	1,886,822
Taxes	26,182	204,012	15,448	245,642
Transfer for tax equivalent	343,501	425,679	-	769,180
	<u>2,008,472</u>	<u>15,139,298</u>	<u>1,699,567</u>	<u>18,847,337</u>
<b>2013 Operating Income</b>	<u>\$ 61,440</u>	<u>\$ 844,750</u>	<u>\$ 349,335</u>	<u>\$ 1,255,525</u>
2013 PSC Operating Income	<u>\$ 201,401</u>	<u>\$ 982,572</u>	<u>N/A</u>	
2013 PSC Rate of Return	<u>3.06%</u>	<u>6.30%</u>	<u>N/A</u>	
Effective Date of Rates	<u>8/1/13</u>	<u>6/1/11</u>	<u>1/1/12</u>	
<b>2012 Operating Income</b>	<u>\$ (44,876)</u>	<u>\$ 842,728</u>	<u>\$ 442,939</u>	

*Summary comments:*

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 used in PSC calculated amount.

## APPENDIX

## CITY of STURGEON BAY



## STURGEON BAY UTILITIES



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

920-746-2900 Phone  
920-746-2905 Fax  
[www.sturgeonbaywi.org](http://www.sturgeonbaywi.org)

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

920-746-2820 Phone  
920-746-2822 Fax  
[www.sbunet.com](http://www.sbunet.com)

April 21, 2014

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

This representation letter is provided in connection with your audit of the financial statements of the City of Sturgeon Bay, Wisconsin (the "City"), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2013, and the respective changes in the financial position and where applicable, cash flows for the year then ended, and the related notes to the financial statements for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, 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 3, 2014, the following representations made to you during your audit.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 27, 2014, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. In regards to accounting estimates:
  - The measurement processes used by management in determining accounting estimates is appropriate and consistent.
  - The assumptions appropriately reflect management's intent and ability to carry out specific courses of action.
  - The disclosures related to accounting estimates are complete and appropriate.

- No subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
  5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
  6. Significant assumptions we used in making accounting estimates are reasonable.
  7. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
  8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. 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.
  9. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the City's accounts.
  10. We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
  11. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

12. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the City Council and Utility Commission or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We made an assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have disclosed the results of our assessment as follows:
  - a. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
    - i. Management,
    - ii. Employees who have significant roles in internal control, or
    - iii. Others where the fraud could have a material effect on the financial statements.
  - b. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.

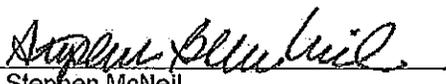
15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
17. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

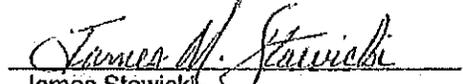
**Government - specific**

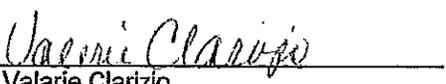
18. We have made available to you all financial records and related data.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have a process to track the status of audit findings and recommendations.
21. 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.
22. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
23. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred inflows/outflows of resources, or equity.
24. 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.
25. There are no 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.
26. As part of your audit, you assisted with preparation of the financial statements and related notes, and state financial report. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, and state financial report.
27. 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.
28. 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.
29. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
30. 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.
31. The financial statements properly classify all funds and activities.

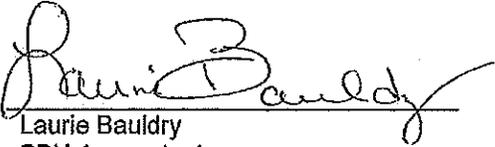
32. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
33. Components of net position (net investment in capital assets, restricted, and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
34. Provisions for uncollectible receivables have been properly identified and recorded.
35. 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.
36. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
37. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
38. Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.
39. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
40. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position were properly recognized under the policy.
41. 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.
42. We acknowledge our responsibility for presenting the nonmajor fund combining statements, individual fund statements, and 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.
43. We agree with the findings of specialists in evaluating the other post-employment benefits and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
44. 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.
45. 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, have been properly recorded or disclosed in the financial statements.
46. The methods and significant assumptions used to determine fair values of financial instruments are as follows: 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. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

- 47. 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.
- 48. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility.
- 49. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 50. We do not plan to make frequent amendments to our pension or other post-retirement benefit plans.
- 51. Expenditures of federal awards were below the \$500,000 threshold in the year ended December 31, 2013, and we were not required to have an audit in accordance with *OMB Circular A-133*.
- 52. 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:   
Stephen McNeil  
City Administrator

Signed:   
James Stawicki  
SBU General Manager

Signed:   
Valarie Clarizio  
Finance Director/City Treasurer

Signed:   
Laurie Bauldry  
SBU Accountant

**CITY OF STURGEON BAY, WISCONSIN**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2013**

**CITY OF STURGEON BAY, WISCONSIN**  
December 31, 2013

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Sturgeon Bay, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress and the schedule of employer contributions on pages 3 through 11 and 48 through 49 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary information and the other information are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Report on Summarized Financial Information**

We have previously audited the City of Sturgeon Bay's 2012 financial statements, and our report dated April 11, 2013, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2014, 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* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants  
Green Bay, Wisconsin  
April 3, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## CITY of STURGEON BAY



## STURGEON BAY UTILITIES



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### Management's Discussion and Analysis December 31, 2013

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, 2013.

#### Financial Highlights

- The assets of the City exceeded its liabilities as of December 31, 2013 by \$83,705,031 (*net position*). Of this amount, \$13,379,209 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,711,238. Several factors contributed to the overall increase as follows:
  - The City's Governmental activities' total net position decreased by \$392,264.
  - The City's Business-type activities' (*Solid Waste Fund*) total net position decreased by \$101,746.
  - The City's total net position of Sturgeon Bay Utilities increased by \$2,205,248.
- The City's general fund increased by \$361,503 primarily due to staff reorganization, allocation of staff time to other funds, and conservative spending in several other expense line items.
- The assessed property tax rate, without TID, increased from \$6.98 to \$7.06 per \$1,000 of property value for the year ended December 31, 2013.
- As of December 31, 2013 the City's governmental funds reported combined ending fund balances of \$8,234,840, a decrease of \$1,426,884 in comparison with the prior year. Approximately 31% of this total amount, \$2,540,110 is available for spending at the City's discretion (*unassigned fund balance*).
- As of December 31, 2013, unassigned fund balance for the general fund was \$2,947,883, or approximately 28% of the total general fund expenditures budgeted for 2014.
- The City's total general-obligation debt decreased by \$294,494 (2%) during 2013. The key factor in this decrease was the routine retirement of debt in accordance with the debt schedules.

#### 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 position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., 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, 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 operations.

The government-wide financial statements include only the City itself (known as the *primary government*).

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 and Tax Incremental District #2 Fund each of which are considered to be major funds. Data from the other six 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 - 57.

## Government-wide Financial Analysis

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$83,703,091 at the close of 2013.

City of Sturgeon Bay's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 29,439,408	\$ 31,337,317	\$ 10,902,973	\$ 10,098,457	\$ 40,342,381	\$ 41,435,774
Capital assets	52,452,165	53,534,596	40,603,932	39,198,426	93,056,097	92,733,022
Total assets	\$ 81,891,573	\$ 84,871,913	\$ 51,506,905	\$ 49,296,883	\$ 133,398,478	\$ 134,168,796
Deferred outflows of resources	\$ 453,036	\$ -	\$ -	\$ -	\$ 453,036	\$ -
Long-term liabilities outstanding	26,725,383	25,989,847	475,227	403,544	27,200,610	26,393,391
Other liabilities	13,032,062	15,757,138	2,214,752	2,179,915	15,246,814	17,937,053
Total liabilities	\$ 39,757,445	\$ 41,746,985	\$ 2,689,979	\$ 2,583,459	\$ 42,447,424	\$ 44,330,444
Deferred inflows of resources	\$ 7,699,059	\$ 7,844,559	\$ -	\$ -	\$ 7,699,059	\$ 7,844,559
Net position:						
Invested in capital assets, net of related debt	\$ 26,277,565	\$ 25,685,627	\$ 40,162,513	\$ 38,836,882	\$ 66,440,078	\$ 64,522,509
Restricted	3,364,391	4,002,907	521,353	520,856	3,885,744	4,523,763
Unrestricted	5,246,149	5,591,835	8,133,060	7,355,686	13,379,209	12,947,521
Total net position	\$ 34,888,105	\$ 35,280,369	\$ 48,816,926	\$ 46,713,424	\$ 83,705,031	\$ 81,993,793

By far the largest portion of the City's net position (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 position (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$13,379,209) may be used to meet the City's ongoing obligations to citizens and creditors.

**Change in net position.** Governmental activities decreased the City's net position by \$394,204. Key elements of this decrease are as follows:

City of Sturgeon Bay's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues						
Charges for services	\$ 910,778	\$ 903,134	\$ 20,483,876	\$ 20,065,752	\$ 21,394,654	\$ 20,968,886
Operating grants and contributions	592,502	593,945	-	-	592,502	593,945
Capital grants and contributions	604,610	635,254	612,566	819,960	1,217,176	1,455,214
General revenues:						
Property taxes	7,565,989	7,228,943	-	150,000	7,565,989	7,378,943
Other taxes	218,402	226,542	-	-	218,402	226,542
Grants and contributions not restricted to specific programs	955,142	971,398	-	-	955,142	971,398
Other revenues	1,005,137	943,996	(472,997)	(513,939)	532,140	430,057
Total revenues	\$ 11,852,560	\$ 11,503,212	\$ 20,623,445	\$ 20,521,773	\$ 32,476,005	\$ 32,024,985
Expenses:						
General government	\$ 1,807,665	\$ 1,771,166	\$ -	\$ -	\$ 1,807,665	\$ 1,771,166
Public safety	4,362,509	4,222,119	-	-	4,362,509	4,222,119
Public works	2,933,553	3,312,425	-	-	2,933,553	3,312,425
Culture and recreation	1,146,212	986,366	-	-	1,146,212	986,366
Conservation and development	879,547	506,706	-	-	879,547	506,706
Interest on long-term debt	1,115,338	1,143,066	-	-	1,115,338	1,143,066
Water	-	-	1,664,971	1,671,785	1,664,971	1,671,785
Wastewater	-	-	1,699,567	1,641,112	1,699,567	1,641,112
Electric	-	-	14,713,836	14,486,055	14,713,836	14,486,055
Solid waste	-	-	441,569	805,429	441,569	805,429
Total expenses	\$ 12,244,824	\$ 11,941,848	\$ 18,519,943	\$ 18,604,381	\$ 30,764,767	\$ 30,546,229
Increase (Decrease) in net position	(392,264)	(438,636)	2,103,502	1,917,392	1,711,238	1,478,756
Net position - January 1	35,280,369	35,719,005	46,713,424	44,796,032	81,993,793	80,515,037
Net position - December 31	\$ 34,888,105	\$ 35,280,369	\$ 48,816,926	\$ 46,713,424	\$ 83,705,031	\$ 81,993,793

The property tax levy increased by \$78,570 (1.4%), without TID, for the 2013 collection year. This increase was directed toward the following areas:

\$ 96,615 for the General Fund Operations and Debt  
 \$ 131,955 for Capital Improvements  
 \$ (150,000) for Solid Waste Fund

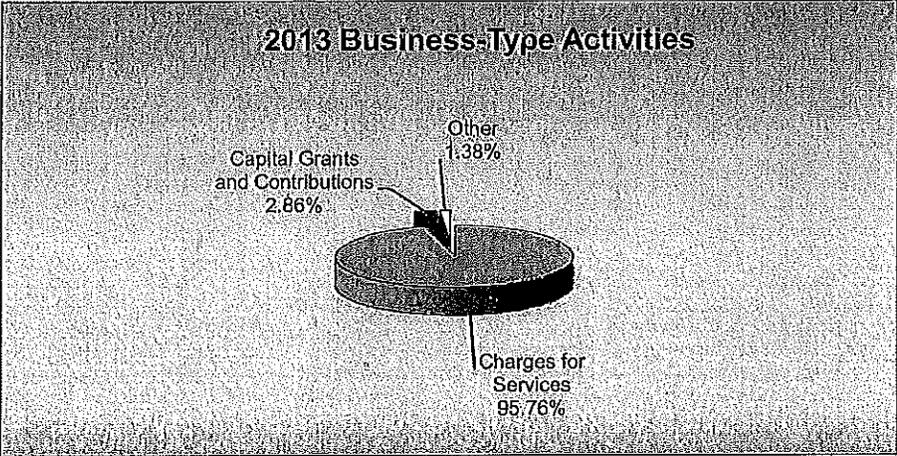
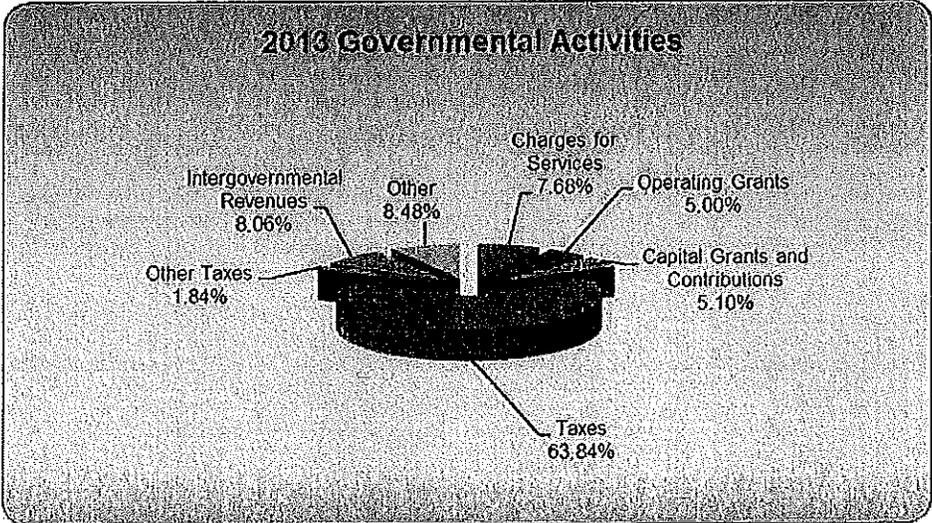
Investment earnings increased/(decreased) in the following funds primarily due to increasingly low interest rates and maintaining slightly lower fund balances:

\$ (3,967) General  
 \$ (4) Capital Fund  
 \$ (11) Tourism Fund  
 \$ (2,093) Tax Increment District #2  
 \$ (143) Tax Increment District #1  
 \$ (44) Tax Increment District #3  
 \$ (295) Revolving Loan Fund

The City realized a one-time loss of \$203,929 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 65.68% of the total revenue needed to fund governmental activities. Intergovernmental revenues and grants comprise another 18.16%, while charges for services and all other sources are equal to 16.16% 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 95.76% 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, 2013, the City's governmental funds reported combined ending fund balances of \$8,234,840, a decrease of \$1,426,884 in comparison with the prior year. Approximately 31% of this amount (\$2,540,110) 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
	2,502,444	Restricted for other Governmental Funds
	3,191,161	Assigned for Governmental Funds
<u>\$</u>	<u>5,694,730</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 \$2,947,883. 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 28% of total 2014 budgeted General Fund expenditures, and the total general fund balance also represents 31% of that same amount.

The fund balance of the City's general fund increased by \$361,503 during the current year. Key factors in this increase are as follows:

- Staff reorganization
- Reallocation of staff time to special funds
- Insurance and other expense savings

The Capital Improvements Fund has a total fund balance of \$2,369,069. The entire amount is assigned. Assigned fund balance represents 152% of total 2014 budgeted Capital Fund expenditures. The Tax Incremental District #2 Fund has a total fund balance of \$1,735,196 and the Tax Incremental District #3 Fund has a total fund balance of \$610,752. 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 position of the Utility fund at the end of the year amounted to \$8,164,178. The total increase in net position was \$2,205,248.

Unrestricted net position of the Solid Waste fund at the end of the year amounted to (\$52,389). The total decrease in net position was \$101,746.

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

## **Budgetary Highlights**

In general, 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 2013 where the adjustments were made between different departments:

- 1) The amount of \$3,694.95 was transferred from Parks Department - Machinery (capital) to Police Department - Vehicles (capital) to purchase a vehicle.
- 2) The amount of \$3,000.00 was transferred from General Fund – Contingency (operating) to Parks Department – Miscellaneous Contractual (operating) for the Maritime Museum sign.

During the year, actual general fund revenues were more than budgeted revenues and appropriated balances by \$81,744 prior to applying budgeted appropriated balances and reserves. The 2013 budget contained \$1,713,542 in appropriated balances and reserves.

Actual expenditures were less than budgeted expenditures by \$1,937,678 in the general fund primarily due to lack of appropriations from the ERP contingency, savings realized due to the staff reorganization, and reallocation of staff time to special funds.

## **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, 2013 amounts to \$93,098,097 (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 \$323,075 or roughly .35% compared to last year.

Major capital assets acquired or constructed during the year include:

- One Squad Car
- Annual Storm Sewer Outlay.
- Annual Road Resurfacing and Repair.
- Annual Alley/Parking Lot Repair.
- Annual Curbing & Sidewalk Repair.
- Installation of Athletic Field Lighting.
- Replaced water and sewer main on North 4<sup>th</sup> Avenue.
- Replaced altitude valves at the Redwood and Duluth elevated tanks.
- Purchased a new water service vehicle.
- Renovated the Industrial substation and purchased a new substation transformer.
- Rebuilt or replaced multiple underground and overhead electric circuits throughout the City.
- Continued assessment and replacement of substandard manholes on the City's west side.

City of Sturgeon Bay's Capital Assets (Governmental Activities are net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 6,032,968	\$ 6,274,318	\$ 318,085	\$ 318,085	\$ 6,351,053	\$ 6,592,403
Land improvements	717,866	844,111	-	-	717,866	844,111
Buildings	6,567,818	6,803,947	6,207,535	6,200,824	12,775,353	13,004,771
Machinery and equipment and vehicles	1,649,029	1,706,881	18,277,080	16,984,860	19,926,109	18,691,741
Infrastructure	37,242,822	37,776,155	47,435,116	45,238,249	84,677,938	83,014,404
Less: Utility and solid waste fund depreciation	-	-	(32,015,377)	(30,685,680)	(32,015,377)	(30,685,680)
Construction in progress	241,662	129,184	423,493	1,184,088	665,155	1,313,272
<b>Total</b>	<b>\$ 52,452,165</b>	<b>\$ 53,534,596</b>	<b>\$ 40,645,932</b>	<b>\$ 39,240,426</b>	<b>\$ 93,098,097</b>	<b>\$ 92,775,022</b>

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$26,659,957 of this amount, \$15,059,957 comprises debt backed by the full faith and credit of the government and \$11,600,000 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	
	2013	2012	2013	2012	2013	2012
General obligation debt:						
Bonds	\$ 13,320,000	\$ 13,540,000	\$ -	\$ -	\$ 13,320,000	\$ 13,540,000
Notes	1,254,600	1,408,969	483,419	403,544	1,738,019	1,812,513
<b>Total general obligation debt</b>	<b>\$ 14,574,600</b>	<b>\$ 14,948,969</b>	<b>\$ 483,419</b>	<b>\$ 403,544</b>	<b>\$ 15,058,019</b>	<b>\$ 15,352,513</b>
Lease revenue bonds	11,600,000	12,900,000	-	-	11,600,000	12,900,000
<b>Total</b>	<b>\$ 26,174,600</b>	<b>\$ 27,848,969</b>	<b>\$ 483,419</b>	<b>\$ 403,544</b>	<b>\$ 26,658,019</b>	<b>\$ 28,252,513</b>

The City's total debt decreased by \$1,594,494 during the current fiscal year. The key factor in this decrease was primarily due to the retirement of TID #2 lease revenue bonds.

The Sturgeon Bay Utility has no outstanding debt as of December 31, 2013.

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 \$40,684,920, which is significantly in excess of the City's \$15,058,019, 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 increased to \$2,947,883. The City has assigned fund balance in the amount of \$416,547 for spending in the 2014 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 Position  
December 31, 2013  
(With summarized financial information as of December 31, 2012)

	Governmental Activities	Business-type Activities	Total	
			2013	2012
<b>ASSETS</b>				
Cash and investments	\$ 11,822,121	\$ 5,744,409	\$ 17,566,530	\$ 19,326,406
Receivables				
Taxes	15,303,122	-	15,303,122	16,042,709
Accounts	93,287	1,768,514	1,861,801	1,762,917
Special assessments	726,839	-	726,839	761,519
Loans	708,266	-	708,266	508,248
Other	-	261,177	261,177	92,399
Internal balances	783,548	(783,548)	-	-
Due from other governments	1,100	1,000,000	1,001,100	-
Inventories and prepaid items	1,125	644,855	645,980	783,552
Restricted assets				
Cash and investments	-	521,353	521,353	520,856
Investment in American Transmission Company	-	1,704,213	1,704,213	1,595,168
Non-utility property	-	42,000	42,000	42,000
Capital assets, nondepreciable				
Land	6,032,968	276,085	6,309,053	6,550,403
Construction in progress	241,662	423,493	665,155	1,313,272
Capital assets, depreciable				
Land improvements	4,199,839	-	4,199,839	4,199,839
Buildings and improvements	9,819,098	6,207,535	16,026,633	16,019,922
Machinery and equipment	7,476,341	18,277,080	25,753,421	24,192,334
Infrastructure	55,573,298	47,435,116	103,008,414	100,627,909
Less: Accumulated depreciation	(30,891,041)	(32,015,377)	(62,906,418)	(60,170,657)
<b>TOTAL ASSETS</b>	<b>81,891,573</b>	<b>51,506,905</b>	<b>133,398,478</b>	<b>134,168,796</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	453,036	-	453,036	-
<b>LIABILITIES</b>				
Accounts payable	253,746	1,660,852	1,914,598	2,030,436
Other current liabilities	250,387	84,736	335,123	335,111
Accrued interest payable	196,823	10,503	207,326	281,833
Due to other governments	11,566,271	-	11,566,271	11,906,963
Deposits	-	135,088	135,088	152,342
Compensated absences	764,835	313,227	1,078,062	1,071,500
Public benefits payable	-	2,154	2,154	1,560
Long-term obligations				
Due within one year	2,451,100	8,192	2,459,292	2,157,308
Due in more than one year	24,274,283	475,227	24,749,510	26,393,391
<b>TOTAL LIABILITIES</b>	<b>39,757,445</b>	<b>2,689,979</b>	<b>42,447,424</b>	<b>44,330,444</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	7,671,151	-	7,671,151	7,555,113
Grants	27,908	-	27,908	289,446
<b>Total Deferred Inflows of Resources</b>	<b>7,699,059</b>	<b>-</b>	<b>7,699,059</b>	<b>7,844,559</b>
<b>NET POSITION</b>				
Net investment in capital assets	26,277,565	40,162,513	66,440,078	64,522,509
Restricted for				
Capital improvements	2,502,444	521,353	3,023,797	3,664,060
Loan program	861,947	-	861,947	859,703
Unrestricted	5,246,149	8,133,060	13,379,209	12,947,521
<b>TOTAL NET POSITION</b>	<b>\$ 34,888,105</b>	<b>\$ 48,816,926</b>	<b>\$ 83,705,031</b>	<b>\$ 81,993,793</b>

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, 2013  
(With summarized financial information for the year ended December 31, 2012)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 1,807,665	\$ 174,608	\$ -	\$ -
Public safety	4,362,509	526,431	85,966	286,536
Public works	2,933,553	13,219	489,075	277,113
Culture and recreation	1,146,212	190,393	17,461	40,961
Development	879,547	6,127	-	-
Interest on debt	1,115,338	-	-	-
<b>Total Governmental Activities</b>	<b>12,244,824</b>	<b>910,778</b>	<b>592,502</b>	<b>604,610</b>
<b>Business-type Activities</b>				
Water utility	1,664,971	2,069,993	-	34,262
Sewer utility	1,699,567	2,060,030	-	(335)
Electric utility	14,713,836	16,014,030	-	578,639
Solid waste utility	441,569	339,823	-	-
<b>Total Business-type Activities</b>	<b>18,519,943</b>	<b>20,483,876</b>	<b>-</b>	<b>612,566</b>
<b>Total Primary Government</b>	<b>\$ 30,764,767</b>	<b>\$ 21,394,654</b>	<b>\$ 592,502</b>	<b>\$ 1,217,176</b>

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  
Salvage on disposal of capital asset  
Gain (loss) on sale of capital asset  
Transfers  
Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	
		2013	2012

\$ (1,633,057)	\$ -	\$ (1,633,057)	\$ (1,609,301)
(3,463,576)	-	(3,463,576)	(3,489,754)
(2,154,146)	-	(2,154,146)	(2,451,895)
(897,397)	-	(897,397)	(613,720)
(873,420)	-	(873,420)	(501,779)
(1,115,338)	-	(1,115,338)	(1,143,066)
(10,136,934)	-	(10,136,934)	(9,809,515)

-	439,284	439,284	513,199
-	360,128	360,128	460,241
-	1,878,833	1,878,833	1,812,247
-	(101,746)	(101,746)	(504,356)
-	2,576,499	2,576,499	2,281,331
(10,136,934)	2,576,499	(7,560,435)	(7,528,184)

5,220,405	-	5,220,405	5,273,790
2,345,584	-	2,345,584	2,105,153
218,402	-	218,402	226,542
955,142	-	955,142	971,398
31,106	204,195	235,301	241,926
204,851	8,060	212,911	206,854
-	83,928	83,928	-
-	-	-	(18,723)
769,180	(769,180)	-	-
9,744,670	(472,997)	9,271,673	9,006,940

(392,264)	2,103,502	1,711,238	1,478,756
35,280,369	46,713,424	81,993,793	80,515,037
\$ 34,888,105	\$ 48,816,926	\$ 83,705,031	\$ 81,993,793

***Fund Financial Statements***

**CITY OF STURGEON BAY, WISCONSIN**

Balance Sheet

Governmental Funds

December 31, 2013

(With summarized financial information as of December 31, 2012)

	General Fund	Tax Incremental District #2	Other Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 6,387,441	\$ 1,871,573	\$ 3,563,107
Receivables			
Taxes	12,910,255	1,125,719	1,267,148
Accounts	16,425	25,335	51,527
Special assessments	726,839	-	-
Loans	-	-	708,266
Due from other funds	1,397,013	-	2,589
Due from other governments	1,100	-	-
Inventories and prepaid items	1,125	-	-
<b>TOTAL ASSETS</b>	<b>\$ 21,440,198</b>	<b>\$ 3,022,627</b>	<b>\$ 5,592,637</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 252,862	\$ -	\$ 884
Accrued payroll liabilities	250,387	-	-
Due to other funds	-	161,712	454,342
Due to other governments	11,566,271	-	-
Total Liabilities	12,069,520	161,712	455,226
Deferred Inflows of Resources			
Property taxes	5,278,284	1,125,719	1,267,148
Grants	-	-	27,908
Special assessments	726,839	-	-
Loans receivable	-	-	708,266
Total Deferred Inflows of Resources	6,005,123	1,125,719	2,003,322
Fund Balances			
Nonspendable			
Inventories and prepaid items	1,125	-	-
Restricted for capital improvements	-	1,735,196	767,248
Assigned for subsequent year expenditures	416,547	-	2,774,614
Unassigned	2,947,883	-	(407,773)
Total Fund Balances	3,365,555	1,735,196	3,134,089
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 21,440,198</b>	<b>\$ 3,022,627</b>	<b>\$ 5,592,637</b>

(Continued)

Total Governmental Funds	
2013	2012

\$ 11,822,121    \$ 13,101,689

15,303,122	16,042,709
93,287	213,573
726,839	761,519
708,266	508,248
1,399,602	832,700
1,100	-
1,125	1,190

\$ 30,055,462    \$ 31,461,628

\$ 253,746	\$ 395,511
250,387	258,793
616,054	124,311
11,566,271	11,906,963
<u>12,686,458</u>	<u>12,685,578</u>

7,671,151	7,555,113
27,908	289,446
726,839	761,519
708,266	508,248
<u>9,134,164</u>	<u>9,114,326</u>

1,125	1,190
2,502,444	4,002,907
3,191,161	2,963,307
2,540,110	2,694,320
<u>8,234,840</u>	<u>9,661,724</u>

\$ 30,055,462    \$ 31,461,628

**CITY OF STURGEON BAY, WISCONSIN**

Balance Sheet (Continued)

Governmental Funds

December 31, 2013

(With summarized financial information as of year ended December 31, 2012)

	2013	2012
<u>Reconciliation to the Statement of Net Position</u>		
Total Fund Balances as shown on previous page	\$ 8,234,840	\$ 9,661,724
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	52,452,165	53,534,596
Some special assessments and loans used in governmental financing activities are unavailable financial resources and therefore are deferred in the funds.	1,435,105	1,269,767
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(14,574,600)	(14,948,969)
Lease revenue bonds	(11,600,000)	(12,900,000)
Deferred charge on refunding	453,036	-
Compensated absences	(764,835)	(756,730)
Other post-employment benefits	(388,846)	(298,186)
Bond premium	(161,937)	-
Accrued interest on long-term obligations	(196,823)	(281,833)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 12)	<u>\$ 34,888,105</u>	<u>\$ 35,280,369</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, 2013  
(With summarized financial information for the year ended December 31, 2012)

	General Fund	Tax Incremental District #2	Other Governmental Funds
<b>Revenues</b>			
Taxes	\$ 5,438,807	\$ 1,236,736	\$ 1,108,848
Special assessments	-	-	34,681
Intergovernmental	1,513,691	3,105	299,923
Licenses and permits	124,078	-	124,140
Fines and forfeits	51,819	-	6,974
Public charges for services	214,550	-	6,000
Intergovernmental charges for services	461,638	-	-
Commercial	47,157	-	-
Miscellaneous	97,034	3,116	460,746
<b>Total Revenues</b>	<b>7,948,774</b>	<b>1,242,957</b>	<b>2,041,312</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	1,375,268	-	-
Public safety	4,011,397	-	-
Public works	1,454,109	-	-
Culture and recreation	716,645	-	-
Development	324,944	25,981	690,688
<b>Debt service</b>			
Principal	403,500	1,755,855	1,690,000
Interest and fiscal charges	122,486	940,936	62,268
Capital outlay	-	153,784	1,694,540
<b>Total Expenditures</b>	<b>8,408,349</b>	<b>2,876,556</b>	<b>4,137,496</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(459,575)</b>	<b>(1,633,599)</b>	<b>(2,096,184)</b>
<b>Other Financing Sources (Uses)</b>			
Long-term debt issued	1,735,000	3,685,000	1,836,924
Premium on debt issued	51,838	110,099	-
Payment to refunded escrow agent	(1,780,022)	(3,753,014)	-
Sale of capital assets	-	3,000	104,469
Transfers in	827,367	326,422	147,024
Transfers out	(13,105)	(44,281)	(474,247)
<b>Total Other Financing Sources (Uses)</b>	<b>821,078</b>	<b>327,226</b>	<b>1,614,170</b>
<b>Net Change in Fund Balances</b>	<b>361,503</b>	<b>(1,306,373)</b>	<b>(482,014)</b>
<b>Fund Balances - January 1</b>	<b>3,004,052</b>	<b>3,041,569</b>	<b>3,616,103</b>
<b>Fund Balances - December 31</b>	<b>\$ 3,365,555</b>	<b>\$ 1,735,196</b>	<b>\$ 3,134,089</b>

(Continued)

Total Governmental Funds	
2013	2012

\$ 7,784,391	\$ 7,455,485
34,681	109,652
1,816,719	1,666,063
248,218	231,004
58,793	66,791
220,550	211,859
461,638	468,123
47,157	43,933
560,896	734,515
<u>11,233,043</u>	<u>10,987,425</u>

1,375,268	1,616,298
4,011,397	3,939,759
1,454,109	1,451,902
716,645	769,027
1,041,613	872,261

3,849,355	2,861,715
1,125,690	1,168,533
1,848,324	2,117,334
<u>15,422,401</u>	<u>14,796,829</u>

<u>(4,189,358)</u>	<u>(3,809,404)</u>
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7,256,924	2,815,000
161,937	28,208
(5,533,036)	-
107,469	364,896
1,300,813	2,299,284
(531,633)	(1,590,895)
<u>2,762,474</u>	<u>3,916,493</u>

(1,426,884)	107,089
<u>9,661,724</u>	<u>9,554,635</u>

<u>\$ 8,234,840</u>	<u>\$ 9,661,724</u>
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**CITY OF STURGEON BAY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2013  
(With summarized financial information for the year ended December 31, 2012)

<u>Reconciliation to the Statement of Activities</u>	2013	2012
Net Change in Fund Balances as shown on previous page	\$ (1,426,884)	\$ 107,089
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	\$ 1,054,382	
Depreciation expense reported in the statement of activities	<u>(1,597,177)</u>	
Amount by which capital outlays are greater (less) than depreciation in current period	(542,795)	76,973
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	(539,636)	(671,860)
Book value of assets disposed		
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 (increased) by:		
	(98,765)	(109,406)
Some capital assets acquired and debt retired 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 position, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:		
	(7,256,924)	(2,815,000)
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 position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:		
	8,931,293	2,861,715
Governmental funds report the effect of premium, discounts, deferred charges on advance refundings, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
	291,099	-
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.		
	85,010	(3,104)
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.		
	(34,680)	(92,441)
Rehabilitation loans that are deferred in the fund statements are recognized as revenue in the statement of activities.		
	200,018	207,398
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 13 - 14)	<u>\$ (392,264)</u>	<u>\$ (438,636)</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,446,780	\$ 5,446,780	\$ 5,438,807	\$ (7,973)
Intergovernmental	1,484,900	1,484,900	1,513,691	28,791
Licenses and permits	119,955	119,955	124,078	4,123
Fines and forfeits	65,000	65,000	51,819	(13,181)
Public charges for services	200,335	200,335	214,550	14,215
Intergovernmental charges for services	461,640	461,640	461,638	(2)
Commercial	43,870	43,870	47,157	3,287
Miscellaneous	44,550	44,550	97,034	52,484
<b>Total Revenues</b>	<b>7,867,030</b>	<b>7,867,030</b>	<b>7,948,774</b>	<b>81,744</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	3,020,291	3,017,291	1,375,268	1,642,023
Public safety	4,039,990	4,043,685	4,011,397	32,288
Public works	1,582,925	1,582,925	1,454,109	128,816
Culture and recreation	801,890	801,195	716,645	84,550
Development	358,065	358,065	324,944	33,121
<b>Debt service</b>				
Principal	412,577	412,577	405,431	7,146
Interest and fiscal charges	130,288	130,288	120,555	9,733
<b>Total Expenditures</b>	<b>10,346,026</b>	<b>10,346,026</b>	<b>8,408,349</b>	<b>1,937,677</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,478,996)</b>	<b>(2,478,996)</b>	<b>(459,575)</b>	<b>2,019,421</b>
<b>Other Financing Sources (Uses)</b>				
General obligation debt issued	-	1,786,838	1,786,838	-
Payment to refunded escrow agent	-	(1,786,838)	(1,780,022)	6,816
Transfers in	827,367	827,367	827,367	-
Transfers out	(13,105)	(13,105)	(13,105)	-
<b>Total Other Financing Sources (Uses)</b>	<b>814,262</b>	<b>814,262</b>	<b>821,078</b>	<b>6,816</b>
<b>Net Change in Fund Balance</b>	<b>(1,664,734)</b>	<b>(1,664,734)</b>	<b>361,503</b>	<b>2,026,237</b>
<b>Fund Balance - January 1</b>	<b>3,004,052</b>	<b>3,004,052</b>	<b>3,004,052</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,339,318</b>	<b>\$ 1,339,318</b>	<b>\$ 3,365,555</b>	<b>\$ 2,026,237</b>

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

**CITY OF STURGEON BAY, WISCONSIN**  
Statement of Net Position (Deficit)  
Proprietary Funds  
December 31, 2013  
(With summarized financial information as of December 31, 2012)

	Enterprise Funds					
	Sturgeon Bay Utilities			Nonmajor Fund Solid Waste	Total	
	Sewer Utility	Water Utility	Electric Utility		2013	2012
<b>ASSETS</b>						
Cash and investments	\$ 670,030	\$ 451,598	\$ 4,622,781	\$ -	\$ 5,744,409	\$ 6,224,717
Receivables						
Accounts	128,908	196,579	1,443,027	-	1,768,514	1,549,344
Other	93,450	2,527	165,200	-	261,177	92,399
Due from other funds	411,399	1,046,521	-	-	1,457,920	1,322,034
Due from other governments	250,000	250,000	500,000	-	1,000,000	-
Inventories and prepaid expenses	8,627	86,846	549,382	-	644,855	782,362
Restricted assets						
Cash and investments	521,353	-	-	-	521,353	520,856
Investment in American Transmission Company	-	-	1,704,213	-	1,704,213	1,595,168
Non-utility property	-	42,000	-	-	42,000	42,000
Capital assets, nondepreciable						
Land	95,170	80,840	100,075	-	276,085	276,085
Construction in progress	200,359	13,100	210,034	-	423,493	1,184,088
Capital assets, depreciable						
Buildings	2,596,393	1,563,890	2,047,252	-	6,207,535	6,200,824
Machinery and equipment	6,889,021	2,643,811	8,295,704	448,544	18,277,080	16,984,860
Infrastructure	10,165,823	15,132,036	22,137,257	-	47,435,116	45,238,249
Less: Accumulated depreciation	(10,726,113)	(7,461,262)	(13,760,701)	(67,301)	(32,015,377)	(30,685,680)
<b>TOTAL ASSETS</b>	<b>11,304,420</b>	<b>14,048,486</b>	<b>28,014,224</b>	<b>381,243</b>	<b>53,748,373</b>	<b>51,327,306</b>
<b>LIABILITIES</b>						
Accounts payable	169,114	28,679	1,459,546	3,513	1,660,852	1,634,925
Accrued interest	-	-	-	10,503	10,503	-
Other current liabilities	12,043	12,294	57,695	2,704	84,736	76,318
Due to other funds - municipality	-	343,501	425,679	-	769,180	708,389
Due to other funds	-	-	1,457,920	14,368	1,472,288	1,322,034
Deposits	-	-	135,088	-	135,088	152,342
Compensated absences	39,822	40,652	232,753	-	313,227	314,770
Public benefits payable	-	-	2,154	-	2,154	1,560
Long-term obligations						
Due within one year	-	-	8,192	-	8,192	-
Due in more than one year	-	-	71,683	403,544	475,227	403,544
<b>TOTAL LIABILITIES</b>	<b>220,979</b>	<b>425,126</b>	<b>3,850,710</b>	<b>434,632</b>	<b>4,931,447</b>	<b>4,613,882</b>
<b>NET POSITION (DEFICIT)</b>						
Net investment in capital assets	9,220,653	12,014,415	18,949,746	(22,301)	40,162,513	38,836,882
Restricted for						
Capital projects	521,353	-	-	-	521,353	520,856
Unrestricted	1,341,435	1,608,945	5,213,768	(31,088)	8,133,060	7,355,686
<b>TOTAL NET POSITION</b>	<b>\$ 11,083,441</b>	<b>\$ 13,623,360</b>	<b>\$ 24,163,514</b>	<b>\$ (53,389)</b>	<b>\$ 48,816,926</b>	<b>\$ 46,713,424</b>

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 Position (Deficit)  
Proprietary Funds  
For the Year Ended December 31, 2013  
(With summarized financial information for the year ended December 31, 2012)

	Enterprise Funds					
	Sturgeon Bay Utilities			Nonmajor Fund Solid Waste	Total	
	Sewer Utility	Water Utility	Electric Utility		2013	2012
Operating Revenues						
Charges for services						
Electric charges	\$ -	\$ -	\$ 15,681,551	\$ -	\$ 15,681,551	\$ 15,409,522
Water charges	-	1,998,729	-	-	1,998,729	1,870,006
Wastewater charges	2,034,150	-	-	-	2,034,150	2,069,586
Solid waste charges	-	-	-	298,896	298,896	296,173
Other	14,752	71,183	302,497	40,927	429,359	403,772
Total Operating Revenues	<u>2,048,902</u>	<u>2,069,912</u>	<u>15,984,048</u>	<u>339,823</u>	<u>20,442,685</u>	<u>20,049,059</u>
Operating Expenses						
Operation and maintenance	1,237,535	1,236,962	13,471,196	386,198	16,331,891	16,417,778
Depreciation	446,584	401,827	1,038,411	44,868	1,931,690	1,928,366
Taxes	15,448	26,182	204,012	-	245,642	258,091
Total Operating Expenses	<u>1,699,567</u>	<u>1,664,971</u>	<u>14,713,619</u>	<u>431,066</u>	<u>18,509,223</u>	<u>18,604,235</u>
Operating Income (Loss)	<u>349,335</u>	<u>404,941</u>	<u>1,270,429</u>	<u>(91,243)</u>	<u>1,933,462</u>	<u>1,444,824</u>
Nonoperating Revenues (Expenses)						
Interest income	6,921	4,398	192,876	-	204,195	204,515
Merchandising and jobbing	11,128	81	29,982	-	41,191	16,693
Interest expense	-	-	(217)	(10,503)	(10,720)	(146)
Property taxes	-	-	-	-	-	150,000
Miscellaneous income	8,060	-	-	-	8,060	8,658
Salvage on disposal of asset	83,928	-	-	-	83,928	-
Loss on sale of asset	-	-	-	-	-	(18,723)
Total Nonoperating Revenues	<u>110,037</u>	<u>4,479</u>	<u>222,641</u>	<u>(10,503)</u>	<u>326,654</u>	<u>360,997</u>
Income (Loss) Before Contributions and Transfers	459,372	409,420	1,493,070	(101,746)	2,260,116	1,805,821
Capital contributions	(335)	34,262	578,639	-	612,566	819,960
Transfers out	-	(343,501)	(425,679)	-	(769,180)	(708,389)
Change in Net Position	459,037	100,181	1,646,030	(101,746)	2,103,502	1,917,392
Net Position - January 1	<u>10,624,404</u>	<u>13,523,179</u>	<u>22,517,484</u>	<u>48,357</u>	<u>46,713,424</u>	<u>44,796,032</u>
Net Position (Deficit) - December 31	<u>\$ 11,083,441</u>	<u>\$ 13,623,360</u>	<u>\$ 24,163,514</u>	<u>\$ (53,389)</u>	<u>\$ 48,816,926</u>	<u>\$ 46,713,424</u>

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, 2013

(With summarized financial information for the year ended December 31, 2012)

	Sturgeon Bay Utilities	Nonmajor Fund Solid Waste	Total	
			2013	2012
<b>Cash Flows from Operating Activities</b>				
Cash received from user charges	\$ 19,309,822	\$ 298,896	\$ 19,608,718	\$ 19,753,108
Cash received from other charges	437,683	40,927	478,610	429,123
Cash payments to suppliers	(14,704,582)	(382,685)	(15,087,267)	(15,254,081)
Cash payments to employees for operating payroll	(1,186,302)	10,721	(1,175,581)	(1,337,382)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>3,856,621</b>	<b>(32,141)</b>	<b>3,824,480</b>	<b>3,590,768</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Paid to municipality for tax equivalent	(769,180)	-	(769,180)	(708,389)
Loan to local school district	(1,000,000)	-	(1,000,000)	-
Property taxes	-	-	-	150,000
Advance from other fund	-	14,368	14,368	-
<b>Net Cash Provided By (Used in) Noncapital Financing Activities</b>	<b>(1,769,180)</b>	<b>14,368</b>	<b>(1,754,812)</b>	<b>(558,389)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of capital assets	(2,713,784)	-	(2,713,784)	(2,780,544)
Proceeds from sale of capital assets	-	-	-	45,000
Interest payments on long-term debt	(217)	(10,503)	(10,720)	(146)
Proceeds from debt issue	81,923	-	81,923	403,544
Principal payments on long-term debt	(2,048)	-	(2,048)	-
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(2,634,126)</b>	<b>(10,503)</b>	<b>(2,644,629)</b>	<b>(2,332,146)</b>
<b>Cash Flows from Investing Activities</b>				
Increase in ATC investment	(109,045)	-	(109,045)	(130,927)
Investment income	204,195	-	204,195	204,515
<b>Net Cash Provided by Investing Activities</b>	<b>95,150</b>	<b>-</b>	<b>95,150</b>	<b>73,588</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(451,535)</b>	<b>(28,276)</b>	<b>(479,811)</b>	<b>773,821</b>
<b>Cash and Cash Equivalents - January 1</b>	<b>6,717,297</b>	<b>28,276</b>	<b>6,745,573</b>	<b>5,971,752</b>
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ 6,265,762</b>	<b>\$ -</b>	<b>\$ 6,265,762</b>	<b>\$ 6,745,573</b>
<b>Noncash Noncapital Financing Activities:</b>				
Developer financed additions to utility plant	\$ 612,566	\$ -	\$ 612,566	\$ 819,960

(Continued)

**CITY OF STURGEON BAY, WISCONSIN**

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended December 31, 2013

(With summarized financial information for the year ended December 31, 2012)

	Sturgeon Bay Utilities	Nonmajor Fund Solid Waste	Total	
			2013	2012
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>				
Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 2,024,705	\$ (91,243)	\$ 1,933,462	\$ 1,444,824
Nonoperating revenue	49,251	-	49,251	25,351
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,886,822	44,868	1,931,690	1,928,366
Depreciation charged to other accounts	73,082	-	73,082	138,697
Changes in assets and liabilities:				
Customer accounts receivable	(219,170)	-	(219,170)	60,691
Other accounts receivable	(168,778)	-	(168,778)	58,093
Inventories and prepaid expenses	137,507	-	137,507	(144,089)
Accounts payable	22,414	3,513	25,927	30,302
Deposits	(17,254)	-	(17,254)	(10,963)
Accrued and other current liabilities	68,991	10,721	79,712	70,409
Public benefits payable	594	-	594	(9,045)
Compensated absences payable	(1,543)	-	(1,543)	(1,868)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 3,856,621</b>	<b>\$ (32,141)</b>	<b>\$ 3,824,480</b>	<b>\$ 3,590,768</b>
<b>Reconciliation of Cash and Cash Equivalents to</b>				
<b>Statement of Net Position:</b>				
Cash and investments	\$ 5,744,409	\$ -	\$ 5,744,409	\$ 6,224,717
Restricted cash and investments	521,353	-	521,353	520,856
<b>Total Cash and Cash Equivalents</b>	<b>\$ 6,265,762</b>	<b>\$ -</b>	<b>\$ 6,265,762</b>	<b>\$ 6,745,573</b>

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, 2013

**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 not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

2. Jointly Governed Organizations

**DOOR COUNTY LIBRARY**

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 2013, the City remitted an appropriation of \$72,239 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 2013, the City of Sturgeon Bay received \$137,702 of room tax from the Tourism Zone. Complete financial information for the Door County Tourism Zone Commission can be obtained from its office in Sister Bay, Wisconsin. Revenue received is recorded in the general fund of the City.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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.

**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.

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.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

4. 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.

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.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

5. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

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 position 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.

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 \$1,704,213 at December 31, 2013.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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:

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

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 or employee benefit policy. 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 or employee benefit policy. 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 receipts and disbursements associated with the program are recorded as a current liability of the statement of net position.

j. Customer Deposits

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

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has one item that qualifies for reporting in this category, deferred charges on refunding.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category, property taxes and grants. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied or the related expenditure is incurred. The City also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, special assessments and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Accounting gains or losses on refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses when incurred.

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 when incurred.

**m. Fund Equity**

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. 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.

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.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - 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 position - Amount of net position that is 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 position - Net position that is neither classified as restricted nor as net investment in capital assets.

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, 2012, from which the summarized information was derived.

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

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

- a. 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.
- b. 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.
- c. During the year, formal budgetary integration is employed as a management control device for the governmental funds.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)**

- d. 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.
- e. 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, 2013.

2. Deficit Fund Equity

The following funds had a deficit fund equity as of December 31, 2013:

Fund	Deficit
Solid Waste	\$ 53,389
TID No. 4	\$407,773

The deficit will be financed with future revenues of the funds.

**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 \$19,792,096 on December 31, 2013 as summarized below:

Petty cash and cash on hand	\$ 900
Deposits with financial institutions	6,616,461
Other investments	
Wisconsin local government investment pool	8,141,969
Negotiable FDIC insured CDs	3,328,553
Investment in American Transmission Company (ATC)	1,704,213
	<u>\$ 19,792,096</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position	
Cash and investments	\$ 17,566,530
Restricted cash and investments	521,353
Investment in American Transmission Company (ATC)	1,704,213
	<u>\$ 19,792,096</u>

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, 2013

**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 the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-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 the combined amount of all deposit accounts per official custodian per depository institution. 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, 2013, \$1,205,144 of City's deposits with financial institutions were in excess of federal and state depository insurance. The entire amount was collateralized by the pledging financial institution or trust department or agent but not in the City's name.

As of December 31, 2013, \$3,042,675 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 Utilities' 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, 2013, none of the investment types 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, 2013

**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
Wisconsin Local Government Investment Pool	\$ 8,141,969	\$ 8,141,969	\$ -	\$ -	\$ -
Negotiable FDIC insured CDs	3,328,553	3,228,791	99,762	-	-
<b>Totals</b>	<b>\$ 11,470,522</b>	<b>\$ 11,370,760</b>	<b>\$ 99,762</b>	<b>\$ -</b>	<b>\$ -</b>

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$8,141,969 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, 2013, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

Investment in American Transmission Company (ATC)

The Utilities 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 Utilities own 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 Utilities have 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 \$1,704,213 at December 31, 2013.

**2. Restricted Assets**

Restricted assets on December 31, 2013 totaled \$521,353 and consisted of cash and investments held for the following purposes:

Enterprise Fund

Wastewater replacement account \$ 521,353

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, 2013

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

**4. Capital Assets**

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,274,318	\$ -	\$ 241,350	\$ 6,032,968
Construction in progress	129,184	178,966	66,488	241,662
Total capital assets, not being depreciated	<u>6,403,502</u>	<u>178,966</u>	<u>307,838</u>	<u>6,274,630</u>
Capital assets, being depreciated:				
Land improvements	4,199,839	-	-	4,199,839
Buildings	9,819,098	-	-	9,819,098
Machinery and equipment	7,207,474	351,375	82,508	7,476,341
Infrastructure	55,389,660	524,041	340,403	55,573,298
Subtotals	<u>76,616,071</u>	<u>875,416</u>	<u>422,911</u>	<u>77,068,576</u>
Less accumulated depreciation for:				
Land improvements	3,355,728	126,245	-	3,481,973
Buildings	3,015,151	236,129	-	3,251,280
Machinery and equipment	5,500,593	374,251	47,532	5,827,312
Infrastructure	17,613,505	860,552	143,581	18,330,476
Subtotals	<u>29,484,977</u>	<u>1,597,177</u>	<u>191,113</u>	<u>30,891,041</u>
Total capital assets, being depreciated, net	<u>47,131,094</u>	<u>(721,761)</u>	<u>231,798</u>	<u>46,177,535</u>
Governmental activities capital assets, net	<u>\$ 53,534,596</u>	<u>\$ (542,795)</u>	<u>\$ 539,636</u>	52,452,165
Less related long-term debt outstanding				<u>26,176,538</u>
Net investment in capital assets				<u>\$ 26,275,627</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Non-utility land	\$ 42,000	\$ -	\$ -	\$ 42,000
Land	276,085	-	-	276,085
Construction in progress	1,184,088	53,881	814,476	423,493
Total capital assets, not being depreciated	<u>1,502,173</u>	<u>53,881</u>	<u>814,476</u>	<u>741,578</u>
Capital assets, being depreciated:				
Buildings	6,200,824	18,306	11,595	6,207,535
Machinery and equipment	16,984,860	1,464,785	172,565	18,277,080
Infrastructure	45,238,249	2,483,921	287,054	47,435,116
Subtotals	<u>68,423,933</u>	<u>3,967,012</u>	<u>471,214</u>	<u>71,919,731</u>
Less accumulated depreciation for:				
Wastewater utility	10,461,210	457,506	192,603	10,726,113
Electric distribution utility	13,028,788	973,438	241,525	13,760,701
Water utility	7,173,249	409,027	121,014	7,461,262
Solid waste	22,433	44,868	-	67,301
Subtotals	<u>30,685,680</u>	<u>1,884,839</u>	<u>555,142</u>	<u>32,015,377</u>
Total capital assets, being depreciated, net	<u>37,738,253</u>	<u>2,082,173</u>	<u>(83,928)</u>	<u>39,904,354</u>
Business-type activities capital assets, net	<u>\$ 39,240,426</u>	<u>\$ 2,136,054</u>	<u>\$ 730,548</u>	40,645,932
Less related long-term debt outstanding				<u>483,419</u>
Net investment in capital assets				<u>\$ 40,162,513</u>

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

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

Governmental activities	
General government	\$ 195,642
Public safety	182,763
Public works	1,062,860
Culture and recreation	155,912
Total depreciation expense - governmental activities	<u>\$ 1,597,177</u>
Business-type activities	
Sewer	\$ 446,584
Water	401,827
Electric	1,038,411
Solid waste	44,868
Total depreciation expense - business-type activities	<u>\$ 1,931,690</u>

Change to accumulated depreciation includes increases (e.g. salvage value) and decreases (e.g. cost of removal) of disposed capital assets.

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, 2013 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds		
General Fund	\$ 1,397,013	\$ -
Water Utility	-	343,501
Electric Utility	-	425,679
Capital Improvements	2,589	-
Tax Incremental District #2	-	161,712
Tax Incremental District #3	-	5,458
Tax Incremental District #4	-	406,889
Revolving Loan	-	41,995
Solid Waste	-	14,368
Totals	<u>\$ 1,399,602</u>	<u>\$ 1,399,602</u>

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Interfund transfers for the year ended December 31, 2013 were as follows:

	Transfer from:			
	Totals	General Fund	Sturgeon Bay Utilities	Cable TV
Transfers to:				
General fund	\$ 827,367	\$ -	\$ 769,180	\$ 4,500
Capital improvements	15,694	13,105	-	-
TID No. 2	326,422	-	-	-
TID No. 3	131,330	-	-	-
Totals	<u>\$ 1,300,813</u>	<u>\$ 13,105</u>	<u>\$ 769,180</u>	<u>\$ 4,500</u>

	Transfer from:		
	Revolving Loan	Tax Incremental District #1	Tax Incremental District #2
Transfers to:			
General fund	\$ 11,995	\$ -	\$ 41,692
Capital improvements	-	-	2,589
TID No. 2	-	326,422	-
TID No. 3	-	131,330	-
Totals	<u>\$ 11,995</u>	<u>\$ 457,752</u>	<u>\$ 44,281</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.

**6. Due from Other Governments**

During the year, the Utilities issued a short-term note receivable to the Sturgeon Bay School District in the amount of \$1,000,000. The note carries an interest rate of 0.45% and matures on October 23, 2014. The note receivable is allocated to each of the utilities as detailed below:

	Amount
Sewer utility	\$ 250,000
Water utility	250,000
Electric utility	500,000
Total note receivable	<u>\$ 1,000,000</u>

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**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, 2013:

	Outstanding 1/1/13	Issued	Retired	Outstanding 12/31/13	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 13,540,000	\$ 7,175,000	\$ 7,395,000	\$ 13,320,000	\$ 860,000
Notes	1,408,969	81,924	236,293	1,254,600	241,100
Total General Obligation Debt	14,948,969	7,256,924	7,631,293	14,574,600	1,101,100
Lease revenue bonds	12,900,000	-	1,300,000	11,600,000	1,350,000
Compensated absences	756,730	8,105	-	764,835	-
Post-employment benefits	298,186	103,660	13,000	388,846	-
Premium on refunded debt	-	161,937	-	161,937	-
Governmental activities Long-term obligations	<u>\$ 28,903,885</u>	<u>\$ 7,530,626</u>	<u>\$ 8,944,293</u>	<u>\$ 27,490,218</u>	<u>\$ 2,451,100</u>
<b>Business-type activities:</b>					
General Obligation Debt					
Note	\$ 403,544	\$ 81,923	\$ 2,048	\$ 483,419	\$ 8,192
Compensated absences	314,770	6,620	8,163	313,227	-
Business-type activities Long-term obligations	<u>\$ 718,314</u>	<u>\$ 88,543</u>	<u>\$ 10,211</u>	<u>\$ 796,646</u>	<u>\$ 8,192</u>

Total interest paid during the year on long-term debt totaled \$976,248.

**General Obligation Debt**

General obligation debt outstanding is detailed as follows:

**General Obligation Bonds**

\$2,620,000 issued 6/1/05; \$50,000 to \$300,000 due 2009 through 2021; interest 3.5% to 4.1%	\$ 440,000
\$2,695,000 issued 6/1/05; \$100,000 to \$200,000 due annually through 2025; interest 3.25% to 4.3%	255,000
\$3,220,000 issued 6/1/06; \$175,000 to \$295,000 due annually through 2021; interest 3.25% to 4.0%	725,000
\$1,985,000 issued 9/1/11; \$980,000 and \$1,005,000 due 2021 and 2022, respectively; interest 2.35% to 2.55%	1,985,000
\$2,815,000 issued 7/5/12; \$75,000 to 1,050,000 due annually 2013 through 2023; interest .7% to 2.5%	2,740,000
\$1,755,000 issued 10/22/13; \$60,000 to \$115,000 due annually 2014 through 2033; interest 2.625% to 4.625%	1,755,000
\$1,735,000 issued 12/30/13; \$15,000 to \$190,000 due annually 2014 through 2025; interest 2.0% to 3.0%	1,735,000
\$1,620,000 issued 12/30/13; \$20,000 to \$285,000 due annually 2014 through 2021; interest 2.0% to 3.0%	1,620,000
\$585,000 issued 12/30/13; \$585,000 balloon payment due 10/1/2018; interest 2.0%	585,000
\$1,480,000 issued 12/30/13; \$20,000 to \$295,000 due annually from 2014 through 2021; interest 2.0% to 3.0%	1,480,000
Total General Obligation Bonds	<u>13,320,000</u>

(Continued)

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

General Obligation Notes

\$417,132 issued 11/14/05; \$14,523 to \$33,401 due annually through 2025; interest 5%	310,787
\$31,563 issued 1/31/06; \$1,087 to \$2,502 due annually through 2026; interest 5%	23,281
\$158,476 issued 5/11/06; \$4,978 to \$12,024 due annually through 2026; interest 5%	118,579
\$75,383 issued 9/21/06; \$795 to \$6,078 due annually through 2026; interest 5%	59,939
\$13,575 issued 4/16/09; \$2,896 due in 2014; interest 3.50%	2,896
\$44,953 issued 6/26/09; \$9,528 due in 2014; interest 3.50%	9,528
\$23,827 issued 6/26/09; \$5,050 due in 2014; interest 3.50%	5,050
\$12,996 issued 6/26/09; \$2,755 due in 2014; interest 3.50%	2,755
\$4,253 issued 9/8/09; \$1,138 due in 2014; interest 3.50%	1,138
\$119,145 issued 9/8/09; \$31,889 due in 2014; interest 3.50%	31,889
\$46,750 issued 1/8/10; \$12,373 due in 2014; interest 3.50%	12,373
\$13,070 issued 1/8/10; \$3,459 due in 2014; interest 3.50%	3,459
\$26,216 issued 1/8/10; \$6,939 due in 2014; interest 3.50%	6,939
\$43,978 issued 2/11/10; \$3,921 to \$5,812 due annually through 2019; interest 4.50%	31,326
\$11,402 issued 2/11/10; \$3,008 due in 2014; interest 3.50%	3,008
\$12,000 issued 1/26/10; \$3,171 due in 2014; interest 3.50%	3,171
\$13,783 issued 2/11/10; \$3,636 due in 2014; interest 3.50%	3,636
\$6,000 issued 1/26/10; \$1,585 due in 2014; interest 3.50%	1,585
\$77,770 issued 2/11/10; \$20,519 due in 2014; interest 3.50%	20,519
\$30,000 issued 8/24/10; \$2,500 to \$3,559 due annually through 2020; interest 4.50%	18,019
\$107,842 issued 8/19/11; \$20,588 to \$22,659 due annually through 2016; interest 3.25%	65,864
\$52,000 issued 8/19/11; \$9,927 to \$10,925 due annually through 2016; interest 3.25%	31,759
\$5,000 issued 8/19/11; \$1,116 due in 2014; interest 3.25%	1,116
\$5,970 issued 8/19/11; \$1,140 to \$1,254 due annually through 2016; interest 3.25%	3,646
\$22,197 issued 8/19/11; \$4,238 to \$4,664 due annually through 2016; interest 3.25%	13,567
\$4,450 issued 8/19/11; \$383 to \$514 due annually through 2021; interest 3.75%	3,629
\$980 issued 8/19/11; \$84 to \$113 due annually through 2021; interest 3.75%	799
\$1,541 issued 8/19/11; \$133 to \$178 due annually through 2021; interest 3.75%	1,257
\$625 issued 8/19/11; \$54 to \$72 due annually through 2021; interest 3.75%	510
\$7,395 issued 8/19/11; \$637 to \$855 due annually through 2021; interest 3.75%	6,030
\$12,898 issued 8/19/11; \$1,110 to \$1,490 due annually through 2021; interest 3.75%	10,518
\$4,495 issued 8/19/11; \$386 to \$519 due annually through 2021; interest 3.75%	3,666
\$5,970 issued 8/19/11; \$514 to \$690 due annually through 2021; interest 3.75%	4,868
\$19,000 issued 11/2/11; \$1,900 due annually through 2020; interest 3.6%	15,200
\$26,820 issued 11/2/11; \$2,682 due annually through 2020; interest 3.6%	21,457
\$164,214 issued 11/2/11; \$16,421 due annually through 2020; interest 3.6%	131,372
\$75,000 issued 11/2/11; \$7,500 due annually through 2020; interest 3.6%	60,000
\$162,000 issued 11/2/11; \$16,200 due annually through 2020; interest 3.6%	129,600
\$403,544 issued 12/18/12; \$95,403 to 105,265 due annually from 2014 through 2017; interest 2.50%	403,544
\$163,848 issued 9/30/13; \$12,288 to \$16,384 due annually from 2014 through 2023; non-interest bearing	159,750
	<hr/>
Total General Obligation Notes Payable	1,738,019
	<hr/>
Total General Obligation Debt	<u>\$ 15,058,019</u>

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$15,058,019 on December 31, 2013 are detailed below:

Year Ended December 31	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 1,101,100	\$ 381,700	\$ 8,192	\$ -	\$ 1,109,292	\$ 381,700
2015	975,300	375,200	103,595	12,493	1,078,895	387,693
2016	998,600	339,400	108,385	7,704	1,106,985	347,104
2017	961,300	309,500	110,875	5,213	1,072,175	314,713
2018	1,488,700	285,500	113,457	2,632	1,602,157	288,132
2019-2023	7,622,900	940,700	38,915	-	7,661,815	940,700
2024-2028	901,800	217,200	-	-	901,800	217,200
2029-2033	524,900	74,100	-	-	524,900	74,100
	<u>\$ 14,574,600</u>	<u>\$ 2,923,300</u>	<u>\$ 483,419</u>	<u>\$ 28,042</u>	<u>\$ 15,058,019</u>	<u>\$ 2,951,342</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, 2013 was \$25,626,901 as follows:

Equalized valuation of the City	\$ 813,698,400
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	40,684,920
Total outstanding general obligation debt applicable to debt limitation	(15,058,019)
Legal Margin for New Debt	<u>\$ 25,626,901</u>

Advance Refunding

During 2013, the City advance refunded general obligation bond issues from 2005 and 2006. The City issued \$5,420,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$245,793 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$225,932.

At December 31, 2013, \$5,070,000 of outstanding general obligation bonds and notes are considered defeased.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Lease Revenue Bonds

Annual principal and interest maturities of the outstanding lease revenue bonds of \$11,600,000 December 31, 2013 are shown below:

Due	Governmental Activities		
	Principal	Interest	Total
2014	\$ 1,350,000	\$ 497,100	\$ 1,847,100
2015	1,405,000	443,100	1,848,100
2016	1,465,000	385,500	1,850,500
2017	1,530,000	324,700	1,854,700
2018	1,600,000	259,700	1,859,700
2019-2021	4,250,000	344,400	4,594,400
	<u>\$ 11,600,000</u>	<u>\$ 2,254,500</u>	<u>\$ 13,854,500</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.

**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 employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from employee's date of hire, are eligible to participate in the WRS. All employees initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General category, including Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates are as follows:

	2013	
	Employee	Employer
General	6.65%	6.65%
Executives & Elected Officials	7.0%	7.0%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE D - OTHER INFORMATION (Continued)**

The payroll for City employees covered by the WRS for the year ended December 31, 2013 was \$5,197,348; the employer's total payroll was \$5,239,682. The total required contribution for the year ended December 31, 2013 was \$824,377, which consisted of \$478,754 or 9.21% of covered payroll from the employer, and \$345,623, or 6.65% of covered payroll from employees. Total contributions for the years ended December 31, 2012 and 2011 were \$742,427 and \$727,966, 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 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that 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.

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	\$ 103,660
Interest on net OPEB	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>103,660</u>
Contributions made	<u>(13,000)</u>
Change in net OPEB obligation	90,660
OPEB obligation - beginning of year	<u>298,186</u>
OPEB obligation - end of year	<u>\$ 388,846</u>

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE D - OTHER INFORMATION (Continued)**

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, 2013 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 2012 and 2013 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/12	\$ 99,554	8.04%	\$ 298,186
12/31/13	103,660	12.5%	388,846

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 2013 fiscal year was \$5,239,682 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.

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, 2013 was 30 years.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**NOTE D - OTHER INFORMATION (Continued)**

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 a member 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 \$12.05 million in 2013.

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, 2013

**NOTE D - OTHER INFORMATION (Continued)**

5. Tax Incremental Districts

The City has established separate capital projects funds for four 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 four Districts were created on January 1, 1991, January 1, 1994, January 1, 2008 and January 1, 2013, 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, 2013 from future excess tax increment revenues follows:

	Total	TID No. 1	TID No. 2	TID No. 3	TID No. 4
Net (Excess) Unreimbursed Project Costs	\$ 20,677,914	\$ (156,496)	\$ 19,282,390	\$ 1,144,247	\$ 407,773

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	2028
TID No. 2	2031
TID No. 3	2034
TID No. 4	2040

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 2013 and 2014 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2013 budget was 1.11%. The actual limit for the City for the 2014 budget was .76%. 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 SUPPLEMENTARY INFORMATION**

**CITY OF STURGEON BAY, WISCONSIN**  
 Schedule of Funding Progress  
 Other Post-employment Benefit Plan  
 For the Year Ended December 31, 2013

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  
 For the Year Ended December 31, 2013

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2011	\$ 13,000	\$ 93,445	13.9%
2012	8,000	99,554	8.0%
2013	13,000	103,660	12.5%

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

**SUPPLEMENTARY INFORMATION**

**CITY OF STURGEON BAY, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2013

	Revolving Loan	Cable TV	TID No. 1	TID No. 3
<b>ASSETS</b>				
Cash and investments	\$ 195,676	\$ 251,864	\$ 156,496	\$ 599,235
Receivables				
Taxes	-	-	494,001	8,012
Accounts	-	-	-	16,975
Loans	708,266	-	-	-
Due from other funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 903,942</b>	<b>\$ 251,864</b>	<b>\$ 650,497</b>	<b>\$ 624,222</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	41,995	-	-	5,458
<b>Total Liabilities</b>	<b>41,995</b>	<b>-</b>	<b>-</b>	<b>5,458</b>
<b>Deferred Inflows of Resources</b>				
Property taxes	-	-	494,001	8,012
Grants	-	-	-	-
Loans receivable	708,266	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>708,266</b>	<b>-</b>	<b>494,001</b>	<b>8,012</b>
<b>Fund Balances (Deficit)</b>				
Restricted	-	-	156,496	610,752
Assigned	153,681	251,864	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>153,681</b>	<b>251,864</b>	<b>156,496</b>	<b>610,752</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 903,942</b>	<b>\$ 251,864</b>	<b>\$ 650,497</b>	<b>\$ 624,222</b>

TID No. 4	Capital Improvements	Total Nonmajor Governmental Funds
\$ -	\$ 2,359,836	\$ 3,563,107
-	765,135	1,267,148
-	34,552	51,527
-	-	708,266
-	2,589	2,589
<hr/>		
\$ -	\$ 3,162,112	\$ 5,592,637

\$ 884	\$ -	\$ 884
406,889	-	454,342
407,773	-	455,226

-	765,135	1,267,148
-	27,908	27,908
-	-	708,266
-	793,043	2,003,322

-	-	767,248
-	2,369,069	2,774,614
(407,773)	-	(407,773)
(407,773)	2,369,069	3,134,089

\$ -	\$ 3,162,112	\$ 5,592,637
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**CITY OF STURGEON BAY, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2013

	Revolving Loan	Cable TV	TID No. 1	TID No. 3
<b>Revenues</b>				
Taxes				
General property taxes	\$ -	\$ -	\$ 457,752	\$ 34,201
Special assessments	-	-	-	-
Intergovernmental	-	-	10,165	-
Licenses and permits	-	124,140	-	-
Fines and forfeits	-	-	-	-
Public charges for services	-	-	-	-
Interest	14,253	-	329	-
Miscellaneous	114,983	85	-	508
<b>Total Revenues</b>	<b>129,236</b>	<b>124,225</b>	<b>468,246</b>	<b>34,709</b>
<b>Expenditures</b>				
Current				
Development	315,015	63,504	-	7,300
Debt service				
Principal	-	-	-	1,690,000
Interest and fiscal charges	-	-	-	62,268
Capital outlay	-	17,189	-	74,600
<b>Total Expenditures</b>	<b>315,015</b>	<b>80,693</b>	<b>-</b>	<b>1,834,168</b>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(185,779)	43,532	468,246	(1,799,459)
<b>Other Financing Sources (Uses)</b>				
Long-term debt issued	-	-	-	1,755,000
Sale of capital assets	-	-	-	60,000
Transfers in	-	-	-	131,330
Transfers out	(11,995)	(4,500)	(457,752)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(11,995)</b>	<b>(4,500)</b>	<b>(457,752)</b>	<b>1,946,330</b>
<b>Net Change in Fund Balances</b>	<b>(197,774)</b>	<b>39,032</b>	<b>10,494</b>	<b>146,871</b>
<b>Fund Balances - January 1</b>	<b>351,455</b>	<b>212,832</b>	<b>146,002</b>	<b>463,881</b>
<b>Fund Balances (Deficit) - December 31</b>	<b>\$ 153,681</b>	<b>\$ 251,864</b>	<b>\$ 156,496</b>	<b>\$ 610,752</b>

TID No. 4	Capital Improvements	Total Nonmajor Governmental Funds
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\$	-	\$ 616,895	\$ 1,108,848
	-	34,681	34,681
	-	289,758	299,923
	-	-	124,140
	-	6,974	6,974
	-	6,000	6,000
	-	-	14,582
	-	330,588	446,164
	-	1,284,896	2,041,312

304,869	-	690,688
-	-	1,690,000
-	-	62,268
102,904	1,499,847	1,694,540
407,773	1,499,847	4,137,496

(407,773)	(214,951)	(2,096,184)
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-	81,924	1,836,924
-	44,469	104,469
-	15,694	147,024
-	-	(474,247)
-	142,087	1,614,170

(407,773)	(72,864)	(482,014)
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-	2,441,933	3,616,103
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\$ (407,773)	\$ 2,369,069	\$ 3,134,089
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**CITY OF STURGEON BAY, WISCONSIN**  
 General Fund  
 Detailed Comparison of Revenues - Budget and Actual -  
 General Fund  
 For the Year Ended December 31, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Taxes</b>				
General property	\$ 5,220,405	\$ 5,220,405	\$ 5,220,405	\$ -
Retained sales tax	120	120	124	4
Payment in lieu of taxes				
Housing authority	19,490	19,490	19,488	(2)
Mobile home	60,000	60,000	60,153	153
Interest on taxes	765	765	935	170
Room taxes	146,000	146,000	137,702	(8,298)
<b>Total Taxes</b>	<b>5,446,780</b>	<b>5,446,780</b>	<b>5,438,807</b>	<b>(7,973)</b>
<b>Intergovernmental</b>				
<b>State</b>				
State shared taxes	915,110	915,110	915,054	(56)
State highway aid	468,850	468,850	483,614	14,764
Law enforcement	13,150	13,150	44,147	30,997
Fire insurance dues	28,000	28,000	29,063	1,063
Municipal services	6,350	6,350	5,461	(889)
Computer aid	17,500	17,500	24,838	7,338
DNR - aids in lieu of taxes	1,700	1,700	1,980	280
DNR - marine patrol	9,240	9,240	9,534	294
DNR - recycling rebate	25,000	25,000	-	(25,000)
<b>Total Intergovernmental</b>	<b>1,484,900</b>	<b>1,484,900</b>	<b>1,513,691</b>	<b>28,791</b>
<b>Licenses and Permits</b>				
State seal	280	280	560	280
Liquor and malt beverages	29,000	29,000	29,393	393
Cigarette licenses	2,000	2,000	2,125	125
Animal licenses	420	420	485	65
Operator's licenses	2,800	2,800	4,285	1,485
Sundry licenses and permits	1,800	1,800	2,162	362
Building permits	36,000	36,000	33,786	(2,214)
Plumbing and electrical permits and licenses	23,600	23,600	22,289	(1,311)
Sign permits	4,200	4,200	4,500	300
Miscellaneous fees and permits	19,855	19,855	24,493	4,638
<b>Total Licenses and Permits</b>	<b>119,955</b>	<b>119,955</b>	<b>124,078</b>	<b>4,123</b>
<b>Fines and Forfeits</b>				
Court fines and penalties	65,000	65,000	51,819	(13,181)

(Continued)

**CITY OF STURGEON BAY, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Revenues - Budget and Actual -**  
**General Fund (Continued)**  
**For the Year Ended December 31, 2013**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Charges for Services				
Special assessment letter fee	1,500	1,500	3,020	1,520
Recreation	148,220	148,220	154,185	5,965
Mooring fees	15,000	15,000	14,959	(41)
Sanitation services	8,700	8,700	13,284	4,584
Weights and measures	6,015	6,015	6,005	(10)
Street department	5,400	5,400	10,092	4,692
Weed control	15,500	15,500	13,005	(2,495)
Total Public Charges for Services	<u>200,335</u>	<u>200,335</u>	<u>214,550</u>	<u>14,215</u>
Intergovernmental Charges for Services				
Fire department fees	461,640	461,640	461,638	(2)
Commercial				
Rent from commercial property	43,870	43,870	47,157	3,287
Miscellaneous				
Interest	12,000	12,000	11,695	(305)
Interest on special assessments	550	550	516	(34)
Insurance dividends	-	-	38,843	38,843
Private grants	15,000	15,000	17,461	2,461
Miscellaneous	17,000	17,000	28,519	11,519
Total Miscellaneous	<u>44,550</u>	<u>44,550</u>	<u>97,034</u>	<u>52,484</u>
Total Revenues	<u>\$ 7,867,030</u>	<u>\$ 7,867,030</u>	<u>\$ 7,948,774</u>	<u>\$ 81,744</u>

**CITY OF STURGEON BAY, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Expenditures - Budget and Actual -**  
**General Fund**  
**For the Year Ended December 31, 2013**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>General Government</b>				
City council	\$ 57,465	\$ 57,465	\$ 57,284	\$ 181
Board of review	1,820	1,820	861	959
Mayor	12,365	12,365	11,718	647
City administrator	222,468	222,468	111,324	111,144
Clerk-treasurer	310,190	310,190	303,551	6,639
Municipal services administration	189,061	189,061	157,754	31,307
Elections	10,719	10,719	9,762	957
Telephone	8,500	8,300	6,377	1,923
Postage	9,000	10,000	10,089	(89)
Assessment of property	91,675	91,675	83,125	8,550
Audit	17,000	16,600	16,575	25
Legal	45,000	45,000	41,492	3,508
Special counsel	25,000	25,000	11,768	13,232
City hall	146,821	146,821	122,051	24,770
Property and liability insurance	310,407	310,407	286,966	23,441
Unemployment compensation	12,500	12,500	8,404	4,096
Life insurance	11,000	11,000	8,349	2,651
Family assistance program	1,810	1,810	1,810	-
Publication	8,500	8,500	8,154	346
Computer	59,430	65,710	55,370	10,340
Contingency	1,435,850	1,426,570	5,000	1,421,570
Maintenance of commercial property	8,000	8,000	5,492	2,508
Miscellaneous consultants	-	-	35,321	(35,321)
Miscellaneous	25,710	25,310	16,671	8,639
<b>Total General Government</b>	<b>3,020,291</b>	<b>3,017,291</b>	<b>1,375,268</b>	<b>1,642,023</b>
<b>Public Safety</b>				
Police department	2,250,975	2,254,670	2,277,546	(22,876)
Police department uniform allowance	900	900	876	24
Building inspector	64,135	64,135	64,267	(132)
Fire department	1,594,005	1,594,005	1,546,225	47,780
Fire department uniform allowance	8,200	8,200	7,491	709
Hydrant rental	121,775	121,775	114,992	6,783
<b>Total Public Safety</b>	<b>4,039,990</b>	<b>4,043,685</b>	<b>4,011,397</b>	<b>32,288</b>

(Continued)

**CITY OF STURGEON BAY, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Expenditures- Budget and Actual -**  
**General Fund**  
**For the Year Ended December 31, 2013**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Public Works</b>				
Transportation				
Public works administration	192,210	192,210	182,659	9,551
Street machinery	108,540	108,540	78,348	30,192
Garage	57,835	57,835	60,969	(3,134)
Gas and oil	85,000	85,000	79,338	5,662
Storm sewer	49,785	49,785	19,107	30,678
Curb and gutter	12,700	12,700	13,339	(639)
Roadway of streets	161,150	161,150	163,771	(2,621)
Street sweeping	37,550	37,550	33,654	3,896
Snow and ice removal	193,645	193,645	217,518	(23,873)
Street lighting	206,455	206,455	174,741	31,714
Street signs and markings	57,610	57,610	50,675	6,935
Highways	327,625	327,625	299,499	28,126
Sanitation				
Garbage and refuse collection	54,630	54,630	50,197	4,433
Solid waste site	32,410	32,410	24,493	7,917
Weed control	5,780	5,780	5,801	(21)
<b>Total Public Works</b>	<b>1,582,925</b>	<b>1,582,925</b>	<b>1,454,109</b>	<b>128,816</b>
<b>Culture and Recreation</b>				
Library	74,115	74,115	72,239	1,876
Celebration and entertainment	38,420	38,420	35,421	2,999
Recreation	144,640	144,640	93,644	50,996
Municipal dock	46,780	46,780	39,471	7,309
Parks and playground	365,815	365,120	364,101	1,019
Ball fields	29,195	29,195	33,014	(3,819)
Ice rinks	8,615	8,615	4,717	3,898
Beaches	2,590	2,590	176	2,414
Water weed cutting	91,720	91,720	73,862	17,858
<b>Total Culture and Recreation</b>	<b>801,890</b>	<b>801,195</b>	<b>716,645</b>	<b>84,550</b>
<b>Development</b>				
Community development	277,160	277,160	250,016	27,144
Waterfront parks and walkways	55,905	55,905	49,928	5,977
Development zone administration	25,000	25,000	25,000	-
<b>Total Development</b>	<b>358,065</b>	<b>358,065</b>	<b>324,944</b>	<b>33,121</b>
<b>Debt Service</b>				
Principal retirement	412,577	412,577	405,431	7,146
Interest and fiscal charges	130,288	130,288	120,555	9,733
<b>Total Debt Service</b>	<b>542,865</b>	<b>542,865</b>	<b>525,986</b>	<b>16,879</b>
<b>Total Expenditures</b>	<b>\$ 10,346,026</b>	<b>\$ 10,346,026</b>	<b>\$ 8,408,349</b>	<b>\$ 1,937,677</b>

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

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

To the City of Sturgeon Bay  
Sturgeon Bay, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the City of Sturgeon Bay's basic financial statements, and have issued our report thereon dated April 3, 2014.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as Item 2013-001 that we consider to be a significant deficiency.

## **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*.

### **City of Sturgeon Bay, Wisconsin's Response to Findings**

The City of Sturgeon Bay, Wisconsin's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City of Sturgeon Bay, Wisconsin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



Certified Public Accountants  
Green Bay, Wisconsin  
April 3, 2014

**CITY OF STURGEON BAY, WISCONSIN**  
 Schedule of Findings and Responses  
 For the Year Ended December 31, 2013

**Section I - Internal Control Over Financial Reporting**

Finding No.	Control Deficiencies
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**2013-001      Preparation of Annual Financial Report**

**Condition:** Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.

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

**Cause:** City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

**Effect:** Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America within an expected time frame.

**Recommendation:** We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.

**Management Response:** Management believes the cost for additional staff time and training to prepare year end reports outweigh the benefits to be received. We will continue to review and approve the financial reports prior to issuance.

**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, 2013.

RECOMMENDATION

TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the Community Protection and Services Committee, hereby recommend the city pull the April, 2013 recommendation amending the city's Electrical Code regarding local licensing of electricians.

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

RESOLVED, that the foregoing recommendation be adopted.

Dated: April 16, 2014

\*\*\*\*\*

Introduced by \_\_\_\_\_.

Moved by Alderperson \_\_\_\_\_, seconded by

Alderperson \_\_\_\_\_ that said recommendation be adopted.

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

## RECOMMENDATION

### TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the Community Protection and Services Committee, hereby recommend to repeal and recreate Section 17.05 of the City of Sturgeon Bay Municipal code to read as follows:

#### 17.05 Licenses

(1) *Required.* No person, either individually, as a member of a firm or as an officer or employee of a corporation, shall conduct the business of electrical wiring, electrical construction or contracting unless such person shall have a license, registration, or certification as required by this chapter section 101.862 of the Wisconsin Statutes.

#### (2) *Electrical licenses.*

- (a) ~~Contractor's license.~~ Before entering into a contract with a second party, firm, corporation or partnership to install, alter or repair any electrical wiring, fixtures, devices or equipment, and all electrical work as defined in section 17.02, such person shall be licensed as an electrical contractor by the city upon being found competent as to that person's technical qualifications and financial responsibilities. A contractor shall, with application for license or renewal thereof, file a certificate of insurance with the chief of the inspection department, showing that the contractor maintains public liability insurance in the amount of at least \$500,000.00 for each occurrence including products and completed operations and personal injury coverage. Each contractor shall also register all work executed by the contractor. Each contractor shall also register all journeymen and apprentices performing work for them in the city. All such journeymen and apprentices shall be licensed by the city.
- (b) ~~Master electrician's license.~~ Before any person shall be licensed as a master electrician, that person must present a valid state master electrician certificate to the chief of the inspection department; however, any master electrician holding a valid city master electrician's license on May 1, 1986, may continue to renew that license without obtaining a state certificate.
- (c) ~~Journeyman's license.~~ Before any person shall be licensed as a journeyman electrician, that person must present a validated journeyman license to the chief of the inspection department. However, any journeyman holding a valid city journeyman electrician license upon date of adoption may continue to renew that license without obtaining state certification.
- (d) ~~Apprentice license.~~ Any person who does not hold a valid master electrician or journeyman license and is employed by a contractor to assist in the installation of electrical work shall be licensed as an apprentice electrician prior to performing

~~any electrical work. No apprentice shall be allowed to work without direct supervision of a master or journeyman electrician.~~

- ~~(e) — *Restricted electrical license.* Any person who is a full-time employee of a manufacturing firm, business, or institution, and holds a valid state master electrician license, may apply for a restricted electrical license to do maintenance and minor wiring within the firm, business, or institution for which they are employed. This class of license would not require the holder to have a city of electrical contractor's license.~~

~~(3) *Issuance.* Contractor's, master's, journeyman's and apprentice licenses shall be issued by the city subject to the provisions of this section. Such licenses shall not be assignable or transferable. Application for a license shall be made to the chief of the inspection department.~~

~~(4) *Exceptions.*~~

- ~~(a) — Any public utility may perform electrical work on its own property or any property on which an easement has been granted to the public utility.~~
- ~~(b) — A homeowner may personally perform electrical work in a single family dwelling in which he/she resides beyond the main disconnect. A permit must be procured and work inspected and approved in the same manner as for a licensed contractor. An owner must conform with all rules and regulations of this chapter.~~

~~(5) *License fees.* Initial and annual renewal fees for the following licenses shall be in amounts as set by the common council:~~

~~*License*~~  
~~*Contractor's*~~  
~~*Master's*~~  
~~*Master's Elec. Restricted*~~  
~~*Journeyman's*~~  
~~*Apprentice*~~

~~(6) *Renewal of license.* All licenses shall be issued for one year, commencing on July 1 and expiring on June 30 following, unless sooner revoked.~~

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

RESOLVED, that the foregoing recommendation be adopted.

Dated: March 14, 2013.

EXECUTIVE SUMMARY

Title: Electrical Code Amendment Relating to Licensing of Electricians

Background: Chapter 17 of the municipal code is the electrical code. The code currently requires that anyone doing electrical contracting in the city shall have a license issued by the city. There are certain levels of electrical licenses (e.g., master electrician, apprentice, etc.)

The Wisconsin Statutes was amended to require state licensing of electricians. Furthermore, the statutes declare that as of April 1, 2013, a municipality may no longer have its own licensing requirements. Therefore, the city can no longer issue electricians licenses beginning April 1<sup>st</sup>. In order to avoid confusion and eliminate an unenforceable code, an amendment to Chapter 17 is proposed. The amendment changes the requirement from a municipal license to the state license and repeals the subsection regarding the issuance of licenses.

Fiscal impact: Licenses are currently issued annually. In a typical year the city issues about 95 licenses for gross revenue of about \$1450.

Recommendation: Regardless of whether Chapter 17 is amended, the city licensing provisions are overridden by state statutes and are void. To keep the code consistent with state law, the recommendation is to approve the amendment as presented.

Prepared by: Martin Olejniczak  
Martin Olejniczak  
Community Development Director

3/8/13  
Date

Reviewed by: Brett Terime  
Brett Terime (III)  
Building Inspector

3/8/13  
Date

Reviewed by: Steve McNeil  
Steve McNeil  
City Administrator

3/22/13  
Date

**From:** Olejniczak, Marty  
**To:** SBDistrict6  
**Subject:** Electrical Code change - pending from last year  
**Date:** Monday, April 07, 2014 4:04:43 PM

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Alderman Fett:

You may recall that last year the Community Protection & Services Committee passed a recommendation to the Council to amend the city's electrical code regarding local licensing of electricians. The state of Wisconsin had passed legislation that preempts local government from requiring a local license if the electrician has a state license. The state licensing rule was to take effect beginning in April 2013. So the proposed amendment to the city's code would make it consistent with the new statute.

You may also recall that just prior to the Council acting upon the CP&S recommendation, the state approved Act 4 which put a one-year moratorium on amending or repealing local electrical ordinances and also extended the beginning date for the prohibition on local licensing to April 2014. Therefore, the CP&S recommendation was put on hold and never acted upon.

The state's moratorium is now over and the provisions of the state statute are in effect. So it makes sense for the Council to officially act in order to get our local code in line. Do you want city staff to simply put the previously approved recommendation on the next council agenda or would you prefer that the Committee act again to approve a new recommendation?

Marty Olejniczak  
Community Development Director  
City of Sturgeon Bay  
920-746-6908

EXECUTIVE SUMMARY

TITLE: Municipal Code: Section 3.05 - Budget

BACKGROUND: Section 3.05 of the Municipal Code details the City's budget presentation and adoption process.

Through the years, the process has evolved from the Finance/Purchasing and Building Committee to the Committee of the Whole. Accordingly, this item is a housekeeping re-write of Section 3.05 of the Municipal Code to reflect the City's current practice.

Attached you will find a relined version of Section 3.05 of the City's Municipal Code, re: Budget Ordinance

FISCAL IMPACT: \$0

OPTIONS: Approve or deny the proposed revisions to the City's Budget Ordinance, Section 3.05 of the Municipal Code.

RECOMMENDATION:

Repeal and recreate Section 3.05 of the Municipal Code - Budget

PREPARED BY: Valerie J. Clarizio  
Valerie J. Clarizio  
Finance Director/City Treasurer

4/2/15  
Date

APPROVED BY: Stephen McNeil  
Stephen McNeil  
City Administrator

4/2/14  
Date

ORDINANCE NO. \_\_\_\_\_

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

SECTION 1: Section 3.05 of the Municipal of the City of Sturgeon Bay, Wisconsin is  
hereby created as follows:

3.05 Budget.

- (1) *Departmental estimates.* On or before September 15 of each year, each officer, department or board shall file with the treasurer an itemized statement of disbursements made to carry out the powers and duty of such officer or department during the preceding fiscal year, and a detailed statement of the receipts and disbursements on account of any special fund under the supervision of such officer or department during such year, and of the condition and management of such fund; also detailed estimates of the same matters for the current fiscal year and for the ensuing fiscal year. Such statement shall be presented in the form prescribed by the treasurer and shall be designated as "Departmental Estimates," and shall be as nearly uniform as possible for the main divisions of all departments.
- (2) *Committee of the Whole to consider estimates.* The Committee of the Whole shall consider such departmental estimates in consultation with the department head, and shall then determine the total amount to be recommended in the budget for such department or activity.
- (3) *Committee of the Whole to prepare proposed budget.*
  - (a) *Information to be included.* On or before October 28 each year, the Committee of the Whole shall prepare and submit to the council a proposed budget presenting a financial plan for conducting the affairs of the city for the ensuing calendar year. The budget shall include the following information:
    1. The expense of conducting each department and activity of the city for the ensuing fiscal year and corresponding items for the current year and last preceding fiscal year.
    2. An itemization of all anticipated income of the city from sources other than general property taxes and bonds issued with a comparative statement of the amounts received by the

city from each of the same or similar sources for the last preceding and current fiscal year.

3. An itemization of the amount of money to be raised from general property taxes which, with income from other sources, will be necessary to meet the proposed expenditures.
4. Such other information as may be required by the council and by state law.
5. The council shall provide a reasonable number of copies of the budget thus prepared for distribution to citizens.

- (b) *Hearing.* The council shall hold a public hearing on the proposed levy as required by law. Budget/levy amendments will be conducted in accordance with Wisconsin Statutes.

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

Approved:

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Thad Birmingham  
Mayor

Attest:

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Stephanie L. Reinhardt  
City Clerk

EXECUTIVE SUMMARY

TITLE: Municipal Code: Section 30.02, Accommodations Tax, Distribution of Revenue

BACKGROUND: Section 30.02 of the Municipal Code details the City's distribution of its 30 percent share of room tax revenue:

30.02 - Distribution of revenue.

(1) Beginning January 1, 2009, any amount the city collects over \$100,000.00 of its 30 percent share of revenue shall be remitted to the City of Sturgeon Bay Tourism Fund.

As you may recall, during the 2011 and 2012 budget cycles the Common Council chose not to appropriate the excess room tax dollars over \$100,000 to the Sturgeon Bay Tourism Fund. Additionally, the Common Council chose to close the Sturgeon Bay Tourism Fund by December 31, 2012.

The purpose of this agenda item is to repeal section 30.02, Accommodations Tax, Distribution of Revenue, to reflect the current City practice.

FISCAL IMPACT: \$0, as the 2014 City budget has been prepared according to the current practice.

OPTIONS: Approve or deny repealing section 30.02, Accommodations Tax, Distribution of Revenue.

RECOMMENDATION:

Repeal section 30.02, Accommodations Tax, Distribution of Revenue.

PREPARED BY: Valerie J. Clarizio 3/24/14
Valerie J. Clarizio
Finance Director/City Treasurer
Date

REVIEWED BY: Stephanie L. Reinhardt 3/24/14
Stephanie L. Reinhardt
City Clerk/Human Resources Director
Date

APPROVED BY: Stephen McNeil 3/24/14
Stephen McNeil
City Administrator
Date

ORDINANCE NO. \_\_\_\_\_

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

SECTION 1: Section 30.02(1) of the Municipal Code of the City of Sturgeon Bay,  
Wisconsin is hereby repealed:

30.02 - Distribution of revenue.

(1) Beginning January 1, 2009, any amount the city collects over  
\$100,000.00 of its 30 percent share of revenue shall be remitted  
to the City of Sturgeon Bay Tourism Fund.

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

Approved:

\_\_\_\_\_  
Thad Birmingham  
Mayor

Attest:

\_\_\_\_\_  
Stephanie L. Reinhardt  
City Clerk

**EXECUTIVE SUMMARY**

**DATE:** May 1, 2014

**TITLE:** Michigan Street Surfacing

**BACKGROUND:** One bid was received for the Micro-Surfacing of Michigan St from Fahrner Asphalt Sealers (\$89,000) and it is within our project estimates. A second bid was submitted by Northeast Asphalt but they submitted an alternate approach to the project which included milling the existing asphalt to make it smooth and then applying an "ultrathin" 3/4 inch layer of asphalt. It would also require the installation of more asphalt to give the street with a good cross slope. Unfortunately the actual cost of their project is difficult assess because the \$113,000 bid does not include the extra asphalt at an estimated \$20,000 to \$30,000.

Comparing the two processes is difficult because they use different application techniques that can be compared below.

**Micro Seal**

A thin layer is installed in the lowest depressions caused by settled utility trenches.

A "scratch" course will level the remaining low areas

The finish course will be applied at about 0.375" thick but will be feathered to match the gutter and utility manholes.

**Ultrathin Asphalt**

Existing asphalt is milled to get the desired cross slope and level the outside lanes

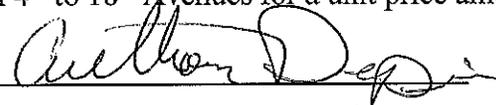
The manholes and utility boxes will be raised to the desired elevation The center will be wedged with asphalt to raise it to the desired cross slope.

A minimum 0.75" asphalt layer will be applied to create the smooth surface but the average thickness will be closer to 1.25 inches.

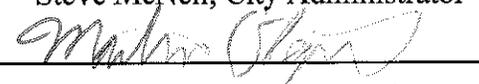
The micro-surfacing will be completed in 2 phases over 3 to 4 days. The first phase would be from 4<sup>th</sup> Ave to 12<sup>th</sup> and when it can be opened to traffic the contractor will close from 12<sup>th</sup> to 18<sup>th</sup>.

**FISCAL IMPACT:** The Micro-surfacing bids came in under the latest estimate (107,000) and will allow \$18,000 to be used for other asphalt repairs that still need to be bid out.

**RECOMMENDATION:** Authorize the contract with Fahrner Asphalt to micro-surface Michigan St from 4<sup>th</sup> to 18<sup>th</sup> Avenues for a unit price amount of \$89,000

**SUBMITTED BY:**   
Anthony Depies, City Engineer

**REVIEWED BY:**   
Steve McNeil, City Administrator

**REVIEWED BY:**   
Marty Olejniczak, Community Development Director