



**CITY OF STURGEON BAY COMMON COUNCIL AGENDA  
TUESDAY, JUNE 21, 2016  
12:00 p.m. Noon  
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. Consideration of the following bills: General Fund – \$204,071.13, Capital Fund - \$256,070.14, Cable TV - \$1,055.98, TID #4 – \$7,465.63, and Solid Waste Enterprise Fund - \$15,648.38 for a grand total of \$484,311.26. [roll call]
6. **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 6/7/16 regular Common Council minutes.
    - \* b. Approval of the following minutes:
      - (1) Sturgeon Bay Utility Commission – 4/12/16
      - (2) Special Finance/Purchasing & Building Committee – 5/17/16
      - (3) Finance/Purchasing & Building Committee – 5/31/16
      - (4) Bicycle & Pedestrian Advisory Council – 6/2/16
      - (5) Community Protection & Services Committee – 6/9/16
    - \* c. Place on file the following report:
      - (1) Inspection Department Report – May 2016
      - (2) Police Department Report – May 2016
    - \* d. Consideration of: Approval of beverage operator licenses.
    - \* e. Consideration of: Approval of Temporary Class B Beer license.
    - \* f. Consideration of: Approval of Temporary Class B Beer license & Temporary Class B Wine license.
    - \* g. Consideration of: Approval of Temporary Class B Wine licesne.
    - \* h. Consideration of: Approval of Sidewalk Café Permit Application for Door County Candy/Terry Ullman.
7. Mayoral appointments.
8. Consideration of: Approval of “Class B” Combination license, Class “B” Beer license, and “Class B” Combination – 300 Seat license for the 2016-2017 license year.
9. Resolution re: Adoption of Door County’s Hazard Mitigation Plan.

10. Resolution re: Tent Inspection Fee.
11. Consideration of: Approval of 2016 Aquatic Vegetation Spraying.
12. Consideration of: Collateral Assignment of Developer Agreement – Bay Lofts LLC.
13. Finance/Purchasing & Building Committee recommendation re: Accept quote from Paul Conway Shields in the amount of \$202,394.00, less the grant in the amount of \$10,798.00, to purchase 40 SCBA units and associated equipment in an amount of \$191,596.00, and to waive the City's purchasing policy bidding requirements. Further, to authorize the issuance of debt for the purchase of SCBA units and associated equipment. (2/3 vote = 5 votes.)
14. Resolution re: Authorizing Adjustments to the 2016 Capital Budget. (2/3 vote = 5 votes.)
15. Community Protection & Services Committee recommendation re: Approve the issuance of the Combination Class B Liquor license to Shipyard Partners, LLC to serve the property at 215 Quincy Street.
16. Community Protection & Services Committee recommendation re: Approve the issuance of the Combination Class B Liquor license to IMBN, Inc. to serve the property at 1009 South Oxford Avenue.
17. Community Protection & Services Committee recommendation re: Approve the issuance of the Combination Class B Liquor license to The Olde Opera House, LLC to serve the property at 23 West Oak Street.
18. Community Protection & Services Committee recommendation re: Deny the issuance of the Combination Class B Liquor license to Sturgeon Bay Jaycees for property at 340 Jaycee Court.
19. Finance/Purchasing & Building Committee recommendation re: Accept the Schenck Government & Not-For-Profit Solutions 2015 financial audit report for the City of Sturgeon Bay and place on file.
20. Committee Chairperson Reports:
  - a. Personnel Committee
  - b. Parking & Traffic Committee
  - c. Community Protection & Services Committee
  - d. Sturgeon Bay Utility Commission
21. Public comment on non-agenda items.
22. Mayor's comments.
23. Adjourn.

NOTE: DEVIATION FROM THE AGENDA ORDER SHOWN MAY OCCUR.

Posted:

Date:

6-17-16

Time:

12:00 pm

By:



INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
GENERAL FUND				
REVENUE				
R0001383	BRIAN COFFOU	MOORING FEE REFUND/COFFOU	01-000-000-46240	288.00
R0001383		STATE TAX REFUND/COFFOU	01-000-000-24214	14.40
R0001383		COUNTY TAX REFUND/COFFOU	01-000-000-24215	1.44
R0001388	STEVE MICHAELS	OTUMBA SEC DEPT RFND/MICHAELS	01-000-000-23162	50.00
R0001389	HEIDI BADER	SWYER PRK SEC REND/BADER	01-000-000-23162	50.00
R0001391	LEA NELSON	SHELTER FEE REFUND/ L NELSON	01-000-000-46310	94.00
R0001391		STATE TAX REFUND/L NELSON	01-000-000-24214	4.70
R0001391		COUNTY TAX REFUND/L NELSON	01-000-000-24215	0.47
TOTAL REVENUE				503.01
BALLFIELD LIGHTING				
WPPI ENG	WPPI ENERGY	06/16 ATHLETIC LIGHT PROJECT	01-000-981-70000	1,365.39
TOTAL BALLFIELD LIGHTING				1,365.39
TOTAL GENERAL FUND				1,868.40
MAYOR				
04696	DOOR COUNTY TREASURER	05/16 MAYOR INTERNET	01-100-000-56700	2.70
TOTAL				2.70
TOTAL MAYOR				2.70
LAW/LEGAL				
BUELOW	BUELOW, VETTER, BUIKEMA,	AUDIT LETTER	01-110-000-57900	115.00
TOTAL				115.00
TOTAL LAW/LEGAL				115.00
CITY CLERK-TREASURER				
03940	STEPHANIE REINHARDT	MEAL & MILEAGE EXPNSE/REINHARD	01-115-000-55600	112.20
04696	DOOR COUNTY TREASURER	05/16 CLERK INTERNET	01-115-000-56700	10.90
10800	JP COOKE CO	2016 CAT TAGS	01-115-000-54999	43.00
10800		SHIPPING	01-115-000-54999	9.25
23714	WISCONSIN MUNICIPAL CLERKS	ANNUAL CONF REG/REINHARDT	01-115-000-55600	125.00
BUBRICKS	BUBRICK'S COMPLETE OFFICE, INC	OFFICE SUPPLIES	01-115-000-51950	53.13
DC PRINT	DC PRINTING	2000 WINDOW ENVELOPES	01-115-000-51600	137.00
DC PRINT		50 PURCHASE ORDER BOOKS	01-115-000-51600	421.00
TOTAL				911.48
TOTAL CITY CLERK-TREASURER				911.48
ADMINISTRATION				
04696	DOOR COUNTY TREASURER	05/16 ADMIN INTERNET	01-120-000-56700	2.70

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
-----				
GENERAL FUND				
			TOTAL	2.70
			TOTAL ADMINISTRATION	2.70
COMPUTER				
04696	DOOR COUNTY TREASURER	05/16 TECH SUPPORT	01-125-000-55550	2,575.00
			TOTAL	2,575.00
			TOTAL COMPUTER	2,575.00
CITY ASSESSOR				
04696	DOOR COUNTY TREASURER	05/16 ASSESSOR INTERNET	01-130-000-56700	5.40
ASSO APP	ASSOCIATED APPRAISAL	06/21/16 CONTRACT	01-130-000-55010	1,245.83
			TOTAL	1,251.23
			TOTAL CITY ASSESSOR	1,251.23
BUILDING/ZONING CODE ENFORCEMT				
04696	DOOR COUNTY TREASURER	05/16 INSPECTION INTERNET	01-140-000-56700	2.70
			TOTAL	2.70
			TOTAL BUILDING/ZONING CODE ENFORCEMT	2.70
MUNICIPAL SERVICES ADMIN.				
04696	DOOR COUNTY TREASURER	PICTOMETRY SECOND HALF	01-145-000-58999	1,390.81
04696		05/16 ENGINEER INTERNET	01-145-000-56700	5.40
STAN'S	STAN'S INDUSTRIAL WOODWORK INC	SURVEY STAKES & HUBS	01-145-000-56250	732.75
			TOTAL	2,128.96
			TOTAL MUNICIPAL SERVICES ADMIN.	2,128.96
PUBLIC WORKS ADMINISTRATION				
04696	DOOR COUNTY TREASURER	05/16 MUN SVC INTERNET	01-150-000-56700	6.75
BUBRICKS	BUBRICK'S COMPLETE OFFICE, INC	3 TIER HOLDER	01-150-000-51950	95.46
BUBRICKS		CREDIT RETURN 3 TIER HOLDER	01-150-000-51950	-95.46
			TOTAL	6.75
			TOTAL PUBLIC WORKS ADMINISTRATION	6.75

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
CITY HALL				
03159	CHARTER COMMUNICATIONS	05/16 FIRE CABLE SVC	01-160-000-58999	99.81
04575	DOOR COUNTY HARDWARE	CARPET CLEANER	01-160-000-51850	38.47
04575		RUG DOCTOR	01-160-000-51850	29.99
04575		CELLO HANDY PACKS	01-160-000-54999	3.49
04575		GLUE REMOVER	01-160-000-51850	4.59
04575		CARPET FRESHNER	01-160-000-51850	6.35
14939	NORTHERN SAFETY CO., INC.	CONTACT CLEANER	01-160-000-54999	36.28
19880	STURGEON BAY UTILITIES	FIRE PROTECTION	01-160-000-56150	2,814.47
19880		FIRE PROTECTION	01-160-000-58650	159.42
23730	WPS	CITY HALL	01-160-000-56600	770.97
VIKING	VIKING ELECTRIC SUPPLY, INC	BREAKER BOX PARTS	01-160-000-54999	9.80
WARNER	WARNER-WEXEL WHOLESALE &	CLEANERS	01-160-000-54999	29.88
WARNER		TISSUE	01-160-000-54999	48.85
WARNER		LINERS	01-160-000-54999	26.08
WARNER		CLEANER	01-160-000-54999	8.98
TOTAL				4,087.43
TOTAL CITY HALL				4,087.43
INSURANCE				
BH	BURKART HEISDORF INSURANCE	07/16 WORK COMP	01-165-000-58750	24,254.00
BH		07/16 GEN LIAB	01-165-000-56400	3,016.00
BH		07/16 POLICE LIAB	01-165-000-57150	1,138.00
BH		07/16 PUBLIC OFFICIAL	01-165-000-57400	1,145.00
BH		07/16 AUTO LIAB	01-165-000-55200	1,751.00
BH		07/16 AUTO LIAB	01-165-000-55200	1,404.00
BH		PUBL OFFICIAL BOND-REINHARDT	01-165-000-57400	75.00
TOTAL				32,783.00
TOTAL INSURANCE				32,783.00
GENERAL EXPENDITURES				
04696	DOOR COUNTY TREASURER	05/16 CITY HALL PHONE SVC	01-199-000-58200	134.03
04696		05/16 PD PHONE SVC	01-199-000-58200	45.04
04696		05/16 FD PHONE SVC	01-199-000-58200	69.51
04696		05/16 MUN PHONE SVC	01-199-000-58200	38.46
08167	GANNETT WISCONSIN NEWSPAPERS	WEED SPRAYING NOTICE	01-199-000-57450	78.91
08167		PUBLIC HRING NOTICES	01-199-000-57450	109.79
08167		ORIDNANCE PUBLICATION	01-199-000-57450	53.41
16354	PENINSULA TITLE	OWNERS POLICY	01-199-000-58900	579.00
16354		LETTER & TAX STATEMENT	01-199-000-58900	10.00
19085	SCHENCK BUSINESS SOLUTIONS	FINAL BILLING 2015 AUDIT	01-199-000-55150	525.00
BOETTCOM	BOETTCHER COMMUNICATIONS	WEBSITE FIXES	01-199-000-51100	182.08
BUBRICKS	BUBRICK'S COMPLETE OFFICE, INC	COPIER PAPER	01-199-000-55650	123.60
TOTAL				1,948.83
TOTAL GENERAL EXPENDITURES				1,948.83

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
POLICE DEPARTMENT				
04696	DOOR COUNTY TREASURER	05/16 POLICE INTERNET	01-200-000-56700	37.80
14875	NWTC GREEN BAY	COMMUNITY POLICING	01-200-000-55600	110.00
15890	PACK AND SHIP PLUS	SHIP PACKAGE STATE CRIME LAB	01-200-000-57250	9.85
16735	ARLEIGH PORTER	BSSA/WCPA CONF REIMB/PORTER	01-200-000-55600	50.00
BUBRICKS	BUBRICK'S COMPLETE OFFICE, INC	CREDIT RETURN 3 HOLE PUNCH	01-200-000-51950	-47.47
BUBRICKS		OFFICE SUPPLIES	01-200-000-51950	48.14
STAPLES	WISCONSIN DOCUMENT IMAGING LLC	BLACK COPIES	01-200-000-55650	59.07
STAPLES		COLOR COPIES	01-200-000-55650	34.29
US BANK	US BANK EQUIPMENT FINANCE	RICOH COPIER #4 OF 48	01-200-000-55650	167.00
US BANK		PROPERTY DAMAGE SURCHARGE	01-200-000-55650	27.02
TOTAL				495.70
TOTAL POLICE DEPARTMENT				495.70
POLICE DEPARTMENT/PATROL				
01766	AURORA MEDICAL GROUP	EMPLOYMENT SCREENING/B SHEW	01-215-000-57100	216.00
01766		EMPLOYMENT SCREEN/SULLIVAN	01-215-000-57100	112.00
02005	BAY ELECTRONICS, INC.	REPLACE DEFECTIVE LAPEL MIC	01-215-000-57550	40.00
02206	BAY MARINE	ENGINE ALARM	01-215-000-58600	98.00
02206		REPLACE SHIFT CONTROL	01-215-000-58600	201.50
03075	CARQUEST OF DOOR COUNTY	CREDIT	01-215-000-58600	-23.02
03133	CELLCOM WISCONSIN RSA 10	05/16 SQUAD PRINTERS	01-215-000-58250	221.76
03133		05/16 CELL PHONE SVC	01-215-000-58250	669.68
04150	DE JARDIN CLEANERS LLC	UNIFORM SHIRT/SOUTH	01-215-000-56800	8.50
04150		POLO SHIRT SOUTH	01-215-000-56800	5.50
04575	DOOR COUNTY HARDWARE	BATTERY	01-215-000-54999	4.49
04575		KEY	01-215-000-54999	1.99
04575		GARAGE REMOTE SCREW	01-215-000-54999	0.11
04696	DOOR COUNTY TREASURER	FUEL 1339.01G @ 2.0750/G	01-215-000-51650	2,778.45
14875	NWTC GREEN BAY	MUNI CODE ENFORCE CLASS HAACK	01-215-000-55600	175.00
14875		MUNI CODE ENFORCE CLASS SULLIV	01-215-000-55600	175.00
14875		COMMUNITY POLICING CLASS	01-215-000-55600	660.00
14875		COMMUNITY POLICING	01-215-000-55600	330.00
19880	STURGEON BAY UTILITIES	110 S NEENAH AVE CAMERA	01-215-000-56150	10.57
21450	THE UNIFORM SHOPPE	SHIRT & UNDERARMOR/JOSE	01-215-000-52950	143.95
21450		SHIRT/ MOGEN	01-215-000-52900	53.95
21450		2 SHIRTS-BILODEAU	01-215-000-52900	97.90
DIRECTFI	DIRECT FITNESS SOLUTIONS, LLC	ELLIPTICAL MACHINE MAINTENANCE	01-215-000-58999	235.00
JENNERJO	DEREK JENNERJOHN	MEAL EXPENSES/JENNERJOHN	01-215-000-55600	41.73
JIM FORD	JIM OLSON FORD-LINCOLN, LLC	MAINTENANCE -EXPLORER	01-215-000-58600	34.95
JIM FORD		MAINTENANCE-#20	01-215-000-58600	24.95
JIM FORD		MAINTENANCE-EXPLORER	01-215-000-58600	24.95
JIM FORD		MAINTENANCE #20	01-215-000-58600	20.00
JIM FORD		MAINTENANCE- #30	01-215-000-58600	10.00
JIM GRAY	JIM GRAY	MEAL EXPENSES/ GRAY	01-215-000-55600	24.63
MIELKE	CHAD MIELKE	FUEL EXP-ICAC TRNING-MIELKE	01-215-000-55600	43.05
MIELKE		MEAL EXP-ICAC TRNING-MIELKE	01-215-000-55600	39.65
NCRC	NCRC-CR SEMINAR	CAVE RESCUE TRNING/CROMWELL	01-215-000-55600	60.00
R0001067	DEPARTMENT OF JUSTICE	COMMND CLLEGE 1ST INST TASSOUL	01-215-000-55600	750.00
TOTAL				7,290.24
TOTAL POLICE DEPARTMENT/PATROL				7,290.24

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
POLICE DEPT. / INVESTIGATIONS				
ACCURINT	LEXISNEXIS RISK SOLUTIONS	MAY 2016 CONTRACT FEE	01-225-000-57950	105.00
TOTAL				105.00
TOTAL POLICE DEPT. / INVESTIGATIONS				105.00
FIRE DEPARTMENT				
02001	RED THE UNIFORM TAYLOR	UNIFORMS	01-250-000-52900	131.80
02001		HAT BAND	01-250-000-52900	21.00
02005	BAY ELECTRONICS, INC.	SHIPPING-REPAIR	01-250-000-57550	10.29
03075	CARQUEST OF DOOR COUNTY	CREDIT	01-250-000-53000	-9.79
04575	DOOR COUNTY HARDWARE	BULBS	01-250-000-53000	1.87
04575		ASSORTED TAPES	01-250-000-54999	46.50
04575		FASTENERS & EYE BOLT	01-250-000-54999	13.19
04575		ASSORTED SUPPLIES	01-250-000-54999	84.35
04575		CREDIT RETURN	01-250-000-54999	-6.59
04575		SLIP HOOK	01-250-000-52700	7.99
04575		FASTENERS	01-250-000-54999	1.38
04596	DOOR COUNTY MARITIME MUSEUM	MAY FUEL	01-250-000-51650	850.38
04696	DOOR COUNTY TREASURER	05/16 FIRE INTERNET	01-250-000-56700	16.20
16570	PIONEER FIRE COMPANY	UNIFORMS	01-250-000-52900	103.16
17250	QUALITY STATE OIL CO., INC.	OIL	01-250-000-53000	439.15
17250		GREASE	01-250-000-53000	76.72
18448	RENNERTS FIRE EQUIP SER INC	FLASHER	01-250-000-53000	85.21
19880	STURGEON BAY UTILITIES	92 E MAPLE STREET	01-250-000-56675	5.20
19880		MARTIN PARK BATHROOM	01-250-000-56675	5.20
19880		FIRE PROTECTION	01-250-000-56675	118.00
19880		TRUCK FILL	01-250-000-56675	41.00
19880		MEM FLD SPRINKLER	01-250-000-56675	42.00
19880		MEM FLD WARMING HOUSE	01-250-000-56675	42.00
19880		GARLAND PARK	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		QUINCY BAY SHIP PIT	01-250-000-56675	42.00
19880		N MADISON AVE SPRINKLG	01-250-000-56675	13.00
19880		10 PENNSYLVANIA ST DOCK	01-250-000-56675	13.00
19880		1018 GREEN BAY RD SIREN	01-250-000-56150	15.45
19880		323 S 1ST AVE EAST SIDE DOCK	01-250-000-56675	5.20
19880		107 N 1ST AVE MARINA/RSTRM	01-250-000-56675	42.00
19880		122 KENTUCKY ST CITY PRK RAMP	01-250-000-56675	5.20
19880		48 KENTUCKY ST DOCK	01-250-000-56675	13.00
19880		48 KENTUCKY ST CITY MARINA	01-250-000-56675	42.00
CARROT	CARROT-TOP INDUSTRIES, INC	CITY FLAGS	01-250-000-54999	246.73
O'REILLY	O'REILLY AUTO PARTS	FILTER	01-250-000-53000	27.00
O'REILLY		CABLE	01-250-000-53000	9.60
O'REILLY		BATTERY PUMP #8	01-250-000-53000	96.66
TRUCK	TRUCK EQUIPMENT, INC.	SPRING PINS # 4 & #6	01-250-000-53000	113.60
WARNER	WARNER-WEXEL WHOLESALE &	CLEANING SUPPLIES	01-250-000-54999	216.59
TOTAL				11,795.19
TOTAL FIRE DEPARTMENT				11,795.19

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
-----				
GENERAL FUND				
SOLID WASTE MGMT/SPRING/FALL				
ADVANCED	ADVANCED DISPOSAL	LARGE ITEM DISPOSAL FEE	01-311-000-58400	372.07
TOTAL				372.07
TOTAL SOLID WASTE MGMT/SPRING/FALL				372.07
STREET SWEEPING				
04575	DOOR COUNTY HARDWARE	BRUSH & POLISH	01-330-000-51400	14.47
TOTAL				14.47
TOTAL STREET SWEEPING				14.47
ROADWAYS/STREETS				
04575	DOOR COUNTY HARDWARE	BATTERIES	01-400-000-51400	11.48
O'REILLY	O'REILLY AUTO PARTS	TOOLS	01-400-000-51400	30.97
POLLOCK	DALE POLLOCK	CDL REIMBURSEMENT	01-400-000-54999	30.00
TOTAL				72.45
TOTAL ROADWAYS/STREETS				72.45
STREET SIGNS AND MARKINGS				
04575	DOOR COUNTY HARDWARE	NOZZLE & HOSE-PAINT MACHINE	01-420-000-52100	27.98
04575		HOSE-PAINT MACHINE	01-420-000-52100	16.00
04575		SPRYPAINT	01-420-000-52100	11.97
04575		WIRE BRUSH & PICKS	01-420-000-52600	5.28
TOTAL				61.23
TOTAL STREET SIGNS AND MARKINGS				61.23
CURB/GUTTER/SIDEWALK				
04575	DOOR COUNTY HARDWARE	SPRYPAINT	01-440-000-54999	7.98
TOTAL				7.98
TOTAL CURB/GUTTER/SIDEWALK				7.98
STREET MACHINERY				
03075	CARQUEST OF DOOR COUNTY	SPARK PLUGS	01-450-000-53000	5.91
03075		OIL FILTER	01-450-000-53000	5.00
03075		ASST FILTERS	01-450-000-53000	85.60
03075		DIMMER SWITCH	01-450-000-53000	4.76
03075		DIGITAL TIRE GAGE	01-450-000-52700	16.91
04696	DOOR COUNTY TREASURER	320.64G UNL @ 2.75/G	01-450-000-51650	665.33

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
04696		983.17G DSL @ 2.060/G	01-450-000-51650	2,025.33
08225	HERLACHE SMALL ENGINE	PULL ROPE	01-450-000-52700	3.00
08700	HYDRAULIC SERVICE INC	HYDR CYL REPAIR	01-450-000-53000	183.45
08700		REPAIR CASE LOADER HYDRO CYL	01-450-000-53000	324.00
08700		HYDRAULIC CYLINDER REPAIR	01-450-000-53000	183.34
14000	NAPA AUTO PARTS	AUTO CHEMICALS	01-450-000-53000	55.93
20725	T R COCHART TIRE CENTER	TIRES	01-450-000-53000	207.50
20725		TIRES	01-450-000-53000	1,023.10
20725		TIRE CHANGE & DISPOSAL	01-450-000-53000	32.00
20725		FLAT REPAIR	01-450-000-53000	20.00
O'REILLY	O'REILLY AUTO PARTS	FILTERS-TRUCK #2	01-450-000-53000	16.73
TOTAL				4,857.89
TOTAL STREET MACHINERY				4,857.89
CITY GARAGE				
01469	AIRGAS NORTH CENTRAL	OXYGEN TANKS	01-460-000-58999	38.90
01766	AURORA MEDICAL GROUP	DOT TESTING LONDO	01-460-000-57100	75.00
04575	DOOR COUNTY HARDWARE	SCREWS & POWER BIT	01-460-000-54999	34.46
04603	HALRON LUBRICANTS INC	WASTE OIL PICK UP	01-460-000-58999	33.75
12100	LAMPERT YARDS INC	LUMBER-OLD TANK	01-460-000-54999	155.92
19959	SUPERIOR CHEMICAL CORP	DRAIN SEAL	01-460-000-54999	309.06
VIKING	VIKING ELECTRIC SUPPLY, INC	BULBS	01-460-000-54999	19.26
TOTAL				666.35
TOTAL CITY GARAGE				666.35
HIGHWAYS - GENERAL				
19880	STURGEON BAY UTILITIES	808 S DULUTH AVE SIGN	01-499-000-58000	13.70
19880		1536 EGG HARBR RD TRAFF LITE	01-499-000-58000	10.35
19880		N 14TH & EGG HRBR TRF LITE	01-499-000-58000	26.15
19880		W S TRAFFIC LIGHTS	01-499-000-58000	129.78
19880		ORNAMENTAL ST LIGHT	01-499-000-58000	5,639.10
19880		OVERHEAD STREET LIGHTS	01-499-000-58000	6,798.90
19880		WALNUT DR & LANSING SIGN	01-499-000-58000	8.50
19880		323 S 1ST AVE EAST SIDE DOCK	01-499-000-58000	44.30
TOTAL				12,670.78
TOTAL HIGHWAYS - GENERAL				12,670.78
PARK & RECREATION ADMIN				
04696	DOOR COUNTY TREASURER	05/16 PARKS INTERNET	01-500-000-56700	4.05
BUBRICKS	BUBRICK'S COMPLETE OFFICE, INC	LAMINATING SHEETS	01-500-000-51950	23.61
PULSE	PENINSULA PULSE	ADVERTISING	01-500-000-57450	924.62
TOTAL				952.28
TOTAL PARK & RECREATION ADMIN				952.28

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
PARKS AND PLAYGROUNDS				
02480	BONNIE BROOKE GARDENS LLC	PLANTS	01-510-000-51750	24.07
03075	CARQUEST OF DOOR COUNTY	GREASE GUN COUPLER	01-510-000-52700	3.51
04545	DOOR COUNTY COOPERATIVE	WEED KILLER	01-510-000-54999	168.66
04575	DOOR COUNTY HARDWARE	TAPE RULE & STRAIGHTLINER	01-510-000-54999	20.98
04575		DECAL REMOVER SUPPLIES	01-510-000-53000	7.97
04575		BOLTS AND FLANGE REPAIR	01-510-000-54999	28.98
04575		PRIMER, BRUSH, PVC	01-510-000-54999	17.76
04575		GASKET,BOLT SET & RING FLANGE	01-510-000-54999	23.97
04575		LAWN AERATOR	01-510-000-58999	70.00
04575		SPRAYER	01-510-000-54999	5.00
04575		TUBE	01-510-000-54999	6.45
04575		ASSORTED SUPPLIES	01-510-000-51800	178.54
04696	DOOR COUNTY TREASURER	MAY FUEL CHARGES	01-510-000-51650	1,116.70
06012	FASTENAL COMPANY	TRAFFIC ROAD CONES	01-510-000-52350	105.56
08225	HERLACHE SMALL ENGINE	TRIM LINE	01-510-000-52700	12.99
08225		BLADES	01-510-000-52700	12.00
11545	MAPLE STREET SIGN CO.	LOGO- NEW CITY TRUCK	01-510-000-54999	196.78
12100	LAMPERT YARDS INC	13 2X4X8' SPF	01-510-000-54999	34.97
12100		DOOR	01-510-000-54999	535.00
13360	MENARDS-GREEN BAY EAST	STEEL DOOR	01-510-000-54999	96.00
19070	SCHARTNER IMPLEMENT INC	TRACTOR KEY	01-510-000-53000	37.25
19880	STURGEON BAY UTILITIES	MARTIN PARK	01-510-000-56150	13.13
19880		MARTIN PARK BATHROOM	01-510-000-58650	20.78
19880		MEM FLD WARMING HOUSE	01-510-000-56150	111.51
19880		MEM FLD WARMING HOUSE	01-510-000-58650	611.29
19880		GARLAND PARK	01-510-000-56150	9.46
19880		GARLAND PARK	01-510-000-58650	21.54
19880		421 MICHIGAN FLAG LIGHT	01-510-000-56150	28.64
19880		MEM FLD PARKING LOT	01-510-000-56150	8.24
19880		MEM FLD COMPLEX	01-510-000-56150	382.80
19880		GRILS LITTLE LEAGUE	01-510-000-56150	54.42
19959	SUPERIOR CHEMICAL CORP	SOAP	01-510-000-54999	119.75
O'REILLY	O'REILLY AUTO PARTS	OIL FILTER	01-510-000-53000	6.90
R0000655	TRANSMOTION, LLC	FORD TRACTOR SUPPLIES	01-510-000-53000	166.95
R0001385	CHARLIE POLLOCK	WORK PERMIT REFUND	01-510-000-54999	10.00
R0001386	EVAN SMITH	WORK PERMIT REIMBURSE/E SMITH	01-510-000-54999	10.00
R0001394	ANDIE ROCKENDORF	WORK PERMIT REIMB/A ROCKENDORF	01-510-000-54999	10.00
SALZ	SALZSIEDER LANDSCAPE & NURSERY	EGG HRBR RD TREE INSTALL	01-510-000-58450	5,100.00
WARNER	WARNER-WEXEL WHOLESALE &	TOWELING & TISSUE	01-510-000-54999	466.80
WARNER		SUPPLIES	01-510-000-54999	49.08
TOTAL				9,904.43
TOTAL PARKS AND PLAYGROUNDS				9,904.43
BALLFIELDS				
04575	DOOR COUNTY HARDWARE	ASSTED TRASH CANS	01-520-000-54999	133.92
04575		TOGGLE BOLT	01-520-000-54999	4.99
04575		TWINE	01-520-000-54999	8.99
TOTAL				147.90
TOTAL BALLFIELDS				147.90

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
MUNICIPAL DOCKS				
04545	DOOR COUNTY COOPERATIVE	TUBING	01-550-000-51850	17.93
04575	DOOR COUNTY HARDWARE	GARDEN SPRAYER	01-550-000-51850	23.98
TOTAL				41.91
TOTAL MUNICIPAL DOCKS				41.91
WATER WEED MANAGEMENT				
03075	CARQUEST OF DOOR COUNTY	FUEL	01-560-000-51650	9.50
03075		FILTERS	01-560-000-51400	46.38
03075		FUEL	01-560-000-51400	4.75
03075		HOSE	01-560-000-51400	39.00
03075		SHOP TOWELS	01-560-000-54999	13.29
03075		BARRACADE HOSE	01-560-000-51400	20.90
04575	DOOR COUNTY HARDWARE	GREAT STUFF	01-560-000-54999	10.98
04575		GREAT STUFF & TRANSPLANTER	01-560-000-51400	23.97
04575		FASTENERS	01-560-000-54999	2.76
HYDRAUL	HYDRAULIC REPAIR SPECIALISTS,	HYDRAULIC MOTOR REPAIR	01-560-000-51400	190.00
TOTAL				361.53
TOTAL WATER WEED MANAGEMENT				361.53
WATERFRONT PARKS & WALKWAYS				
04575	DOOR COUNTY HARDWARE	SPRING RAKE	01-570-000-54999	23.99
04575		REDUCR SOCKET	01-570-000-54999	7.98
19880	STURGEON BAY UTILITIES	W LARCH ST WALKWAY LTS	01-570-000-56150	91.72
19880		W LARCH ST PARKING LOT	01-570-000-56150	59.01
19880		10 PENNSYLVANIA ST DOCK	01-570-000-58650	12.06
19880		48 KENTUCKY ST WTR FRNT	01-570-000-56150	168.23
19880		107 N 1ST AVE MARINA/RSTRM	01-570-000-56150	504.64
19880		107 N 1ST AVE M ARINA/RSTRM	01-570-000-58650	57.45
19880		122 KENTUCKY ST CITY PKG RAMP	01-570-000-56150	324.11
19880		48 KENTUCKY ST DOCK	01-570-000-58650	758.95
19880		48 KENTUCKY ST CITY MARINA	01-570-000-58650	34.26
VIKING	VIKING ELECTRIC SUPPLY, INC	LENS	01-570-000-54999	56.00
TOTAL				2,098.40
TOTAL WATERFRONT PARKS & WALKWAYS				2,098.40
EMPLOYEE BENEFITS				
03780	COUNSELING ASSOCIATES OF DC	JUNE EAP	01-600-000-56553	150.83
23674	WISCONSIN DEPT OF WORFORCE	MAY 2016 UNEMPLOYMENT	01-600-000-50370	55.24
TOTAL				206.07
TOTAL EMPLOYEE BENEFITS				206.07

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
<b>GENERAL FUND</b>				
COMMUNITY & ECONOMIC DEVLPMT				
04696	DOOR COUNTY TREASURER	05/16 COMM DEV INTERNET	01-900-000-56700	5.40
		TOTAL		5.40
		TOTAL COMMUNITY & ECONOMIC DEVLPMT		5.40
		TOTAL GENERAL FUND		99,811.45
<b>CAPITAL FUND</b>				
REVENUE				
JIM FORD	JIM OLSON FORD-LINCOLN, LLC	TRADE IN 1998 FORD F 150 4X4	10-000-000-48100	-2,500.00
		TOTAL REVENUE		-2,500.00
		TOTAL		-2,500.00
<b>MUNICIPAL SERVICES ADMIN.</b>				
JIM FORD	JIM OLSON FORD-LINCOLN, LLC	2017 FORD ESCAPE SE AWD	10-145-000-59035	22,435.00
JIM FORD		DMV FEE & PLATE FEE	10-145-000-59035	70.50
		TOTAL		22,505.50
		TOTAL MUNICIPAL SERVICES ADMIN.		22,505.50
<b>GENERAL EXPENDITURES</b>				
DEGROOT	DE GROOT, INC	SBU PORTION-OAK & 4TH AVE	10-199-000-51525	83,548.80
DEGROOT		WEBER BILLING-4TH AVE	10-199-000-51525	2,363.48
		TOTAL		85,912.28
		TOTAL GENERAL EXPENDITURES		85,912.28
<b>PATROL</b>				
02208	BAYCOM INC.	ROOF MOUNT ON NEW SQUAD	10-215-000-59035	42.42
02208		FUEL PANEL/CHARGE GUARD	10-215-000-59035	149.97
02208		NEW SQUAD CHANGE OVER	10-215-000-59035	845.00
02208		CHANGEOVER LABOR/MISC PARTS	10-215-000-59035	3,542.39
02208		ARBITRATOR INSTALL	10-215-000-59000	28,265.00
AMERDIVE	AMERICAN DIVING SUPPLY,LLC	DIVE EQUIPMENT	10-215-000-59999	7,079.43
		TOTAL		39,924.21
		TOTAL PATROL		39,924.21
<b>ROADWAYS/STREETS</b>				
EXPENSE				
PTS CONT	PTS CONTRACTORS, INC	EGG HRBR RD PAY #5	10-400-000-59096	30,059.28

DATE: 06/14/2016  
 TIME: 13:56:41  
 ID: AP443000.CST

CITY OF STURGEON BAY  
 DEPARTMENT SUMMARY REPORT

PAGE: 11

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
<b>CAPITAL FUND</b>				
EXPENSE				
EXPENSE				
TOTAL EXPENSE				30,059.28
TOTAL ROADWAYS/STREETS				30,059.28
<b>CURB/GUTTER/SIDEWALK</b>				
EXPENSE				
DEGROOT	DE GROOT, INC	CITY PORTION-OAK & 4TH AVE	10-440-000-59102	80,168.87
TOTAL EXPENSE				80,168.87
TOTAL CURB/GUTTER/SIDEWALK				80,168.87
TOTAL CAPITAL FUND				256,070.14
<b>CABLE TV</b>				
CABLE TV / GENERAL				
CABLE TV / GENERAL				
02975	CAMERA CORNER	WINE BAND ANTENNA	21-000-000-59070	319.98
02975		HARD DRIVE	21-000-000-59070	399.00
02975		SPACE RACK CASE	21-000-000-59070	130.00
02975		CD JEWEL CASE	21-000-000-59070	78.00
02975		SHIPPING	21-000-000-59070	29.00
04696	DOOR COUNTY TREASURER	05/16 PEG INTERNET	21-000-000-56700	100.00
TOTAL CABLE TV / GENERAL				1,055.98
TOTAL CABLE TV / GENERAL				1,055.98
TOTAL CABLE TV				1,055.98
<b>TID #4 DISTRICT</b>				
TID #4 DISTRICT				
DEGROOT	DE GROOT, INC	TID 4 PORTION -OAK	28-340-000-59115	7,276.63
FARRELL	FARRELL EQUIPMENT & SUPPLY INC	SILT SOCK & ROUGH FILL	28-340-000-59115	189.00
TOTAL				7,465.63
TOTAL TID #4 DISTRICT				7,465.63
TOTAL TID #4 DISTRICT				7,465.63
<b>SOLID WASTE ENTERPRISE</b>				
SOLID WASTE ENTERPRISE FUND				
SOLID WASTE ENTERPRISE FUND				
04696	DOOR COUNTY TREASURER	768.69G DSL @ 2.060/G	60-000-000-51650	1,583.50
ADVANCED	ADVANCED DISPOSAL	84.38 TN RECYCLING	60-000-000-58350	1,159.40
ADVANCED		214.47 TN REFUSE	60-000-000-58300	12,859.61
JX ENT	JX ENTERPRISES, INC.	NOZZLE- TRK 41	60-000-000-53000	45.87
TOTAL SOLID WASTE ENTERPRISE FUND				15,648.38

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR # NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
SOLID WASTE ENTERPRISE			
SOLID WASTE ENTERPRISE FUND			
SOLID WASTE ENTERPRISE FUND			
		TOTAL SOLID WASTE ENTERPRISE FUND	15,648.38
		TOTAL SOLID WASTE ENTERPRISE	15,648.38
		TOTAL ALL FUNDS	380,051.58

**MANUAL CHECKS**

WALMART 06/02/16 Check # 79554 Credit Card Statement Charges Various Departmental Accounts	\$379.83
DELTA DENTAL 06/02/16 Check #79554 June Dental Insurance Various Departmental Accounts	\$5,471.72
NETWORK HEALTH 06/02/16 Check # 79554 June Health Insurance Various Departmental Accounts	\$96,404.64
BENEFIT ADVANTAGE 06/08/16 Check # 79620 May Cobra Fees 01-600-000-50510	\$ 25.00
BENEFIT ADVANTAGE 06/08/16 Check # 79620 May HRA Billing 01-600-000-50510	\$121.00
MINNESOTA LIFE INSURANCE 06/08/16 Check # 79621 07/16 Life Insurance 01-600-000-50552	\$1,857.49
<b>TOTAL MANUAL CHECKS</b>	<b>\$104,259.68</b>

DATE: 06/14/2016  
TIME: 13:56:41  
ID: AP443000.CST

CITY OF STURGEON BAY  
DEPARTMENT SUMMARY REPORT

PAGE: 13

INVOICES DUE ON/BEFORE 06/21/2016

VENDOR # NAME ITEM DESCRIPTION ACCOUNT # AMOUNT DUE

SUMMARY OF FUNDS:

GENERAL FUND	99,811.45	204,071.13
CAPITAL FUND	256,070.14	
CABLE TV	1,055.98	
TID #4 DISTRICT	7,465.63	
SOLID WASTE ENTERPRISE	15,648.38	
	-----	
TOTAL --- ALL FUNDS	380,051.58	484,311.26

~~Shunt~~ ~~Stut~~  
Ed Ireland

6-14-15

## COMMON COUNCIL

June 7, 2016

A regular meeting of the Common Council was called to order at 12:01 p.m. by Mayor Birmingham. The Pledge of Allegiance was recited. Roll call: Catarozoli, Vandertie, Wiesner, Fett, and Gregory were present. Ireland and Stults were excused.

Fett/Catarozoli to adopt agenda moving item 6k to the regular agenda. Carried.

Fett/Wiesner to approve the following bills - General Fund - \$69,044.63, Capital Fund - \$25,758.17, Cable TV - \$5,006.72, TID #4 - \$16,168.60 and Solid Waste Enterprise Fund - \$2,954.97 for a grand total of \$118,933.09. Carried.

Wiesner/Catarozoli to approve consent agenda but to remove 6l and place on future agenda:

- a. Approval of 5/17/16 regular Common Council minutes.
- b. Approval of the following minutes:
  - (1) Amended Community Protection & Services Committee – 4/4/16
  - (2) Waterfront Design Review Board – 5/10/16
  - (3) Finance/Purchasing & Building Committee – 5/10/16
  - (4) Cable Communication System Advisory Council – 5/12/16
  - (5) Community Protection & Services Committee – 5/12/16
  - (6) Waterfront Design Review Board – 5/16/16
  - (7) Aesthetic Design & Site Plan Review Board – 5/16/16
  - (8) City Plan Commission – 5/18/16
  - (9) Parking & Traffic Committee – 5/23/16
  - (10) Zoning Board of Appeals – 5/24/16
  - (11) Joint Park & Recreation Committee/Board – 5/25/16
  - (12) Community Protection & Services Committee - 5/26/16
- c. Place on file the following reports:
  - (1) Inspection Department Report - April 2016
  - (2) Bank Reconciliation – April 2016
  - (3) Revenue & Expense Report – April 2016
  - (4) Police Department Report – April 2016
- d. Consideration of: Approval of beverage operator licenses.
- e. Consideration of: Approval of Temporary Class B Beer license.
- f. Consideration of: Approval of Temporary Class B Wine license.
- g. Consideration of: Approval of Street Closure Application for Side Pork Fest for June 11, 2016.
- h. Consideration of: Approval of Street Closure Application for Robyn Bscherer for June 11, 2016.
- i. Consideration of: Approval of Sidewalk Café Permit Application for Brick Lot Pub.
- j. Community Protection & Services Committee recommendation re: Installing a street light near the intersection of Nebraska Street and the Boys & Girls Club alley.
- k. ~~City Plan Commission recommendation re: Approve proposed landscaping and seawall plans for the Austad Family Trust, 942 Memorial Drive, subject to the removal of the three proposed trees. Removed and placed on regular agenda.~~
- l. ~~City Plan Commission recommendation re: Helm Street as the name for the new public street abutting the north side of Cadence (1425 S. Neenah Avenue.) Removed from 6/7/16 agenda.~~
- m. City Plan Commission recommendation re: Approval of the Zoning Code Amendment relating to requiring a garage for all newly constructed dwellings and adding Section 20.9(08)(7)(i).
- n. City Plan Commission recommendation re: Approval of the certified survey map (CSM) for Bay Lofts, 49 North Madison Avenue.
- o. Parking & Traffic Committee recommendation re: Remove the two No Parking signs on the west side of 3<sup>rd</sup> Avenue between 1<sup>st</sup> Avenue & Jefferson Street, and to allow parking at that location, and if deemed necessary by staff, installing No Parking Here to Corner Signs.

Carried.

## RECOMMENDATION

We, the City Plan Commission, hereby recommend to approve the attached proposed landscaping and seawall plans for the Austad Family Trust, 942 Memorial Drive, subject to the removal of the three proposed trees.

### FINANCE/PURCHASING & BUILDING COMMITTEE

By: Stewart Fett, Chr.

Discussion took place regarding this area that the City maintains and mows and the question of allowing private property owners to put a financial investment into the area and the history of this section of property regarding the area being private property with municipal easements. Further discussion took place regarding researching the history of the area. Catarozoli/Gregory to deny request of proposed landscaping and seawall plans for the Austad Family Trust, 942 Memorial Drive, and send back to the City Plan Commission with a title search of the area or clarification of maintenance, ownership, and history of property. Catarozoli and Gregory voted aye. Vandertie, Wiesner, and Fett voted no. Motion failed. Wiesner/Fett to approve the proposal for landscaping and seawall plans for the Austad Family Trust, 942 Memorial Drive, subject to the removal of the three proposed trees. Vandertie, Wiesner and Fett voted aye. Catarozoli and Gregory voted no. Carried. It was the consensus of the Council to have the history of this area researched by City staff.

There were no mayoral appointments.

Wiesner/Gregory to approve renewal applications for 2016-2017 for attached "Class B" Combination licenses, Class "B" Beer licenses, "Class A" Combination licenses, Class "A" Beer licenses, Class "A" Liquor licenses, "Class C" Wine licenses, and "Class B" Combination – 300 seat license with the exception of The Olde Opera House, LLC which will be reviewed at CPS. Carried.

## RECOMMENDATION

We, the Finance/Purchasing & Building Committee, hereby recommend to waive sign permit fees for the Door County Veteran Service Council in the amount of \$60.00.

### FINANCE/PURCHASING & BUILDING COMMITTEE

By: Stewart Fett, Chr.

Introduced by Fett. Fett/Gregory to adopt. Carried.

## RECOMMENDATION

We, the Finance/Purchasing & Building Committee, hereby recommend to accept the agreements for NWTC and the Blank Form for future use to be signed on behalf of the City by the Fire Chief.

### FINANCE/PURCHASING & BUILDING COMMITTEE

By: Stewart Fett, Chr.

Introduced by Fett. Fett/Wiesner to adopt. Carried.

City Plan Commission Chair Wiesner, Finance/Purchasing & Building Chair Fett, Park & Recreation Committee Chair Vandertie, presented reports for their respective committees/commissions.

The following people spoke during public comment: Shirely Senarighi, 604 W. Spruce Dr; Linda Cockburn, 153 S. 3<sup>rd</sup> Ave.; Chris Kellems, 120 Alabama St; Hans Christian, 330 N. 3<sup>rd</sup> Ave.; Kelly Avenson, 26 N. 3<sup>rd</sup> Ave.

The Mayoral made his comments.

Catarozoli/Vandertie to adjourn. Carried. The meeting adjourned at 12:50 p.m.

Respectfully submitted,

*Stephanie L. Reinhardt*

Stephanie L. Reinhardt  
City Clerk/HR Director

STURGEON BAY UTILITIES  
Regular Meeting  
April 12<sup>th</sup>, 2016

President Stewart Fett called the regular meeting of the Utilities Commission to order at 12:00 p.m. at the Sturgeon Bay Utilities office. Roll call: President Stewart Fett, Mayor Thad Birmingham and Commissioners Gary DeNamur, Rick Wiesner and Matt Felhofer were present. Also present were General Manager James Stawicki, Operations Manager Cliff White, Electric Supervisor Jason Bieri and Recording Secretary Laurie Bauldry.

Wiesner/DeNamur to adopt the agenda (complete copy on file at the Utility office). Motion carried.

Wiesner/Birmingham to approve the minutes of the regular meeting held on March 8<sup>th</sup>, 2016.

The Commission proceeded to review the bills for March in the amount of \$1,685,992.93. Fett/Birmingham to approve payment of the bills. Motion carried.

The February 2016 financials were presented. Felhofer/Birmingham to accept the financials. Motion carried.

General Manager Stawicki reported on the current investments and their allocations. No formal action was taken.

Next was consideration of a voluntary capital contribution to ATC. The contribution of \$6,091.00 is due on April 28<sup>th</sup>, 2015. DeNamur/Fett to approve the ATC contribution of \$6,091.00 on April 28<sup>th</sup>, 2015. Motion carried.

The next item of business was consideration of the lease with Bay Shipbuilding/Fincantieri Marine Group. President Fett recused himself from this item and left the meeting room until after the vote was taken. Bay Shipbuilding is requesting extension of their lease for the space adjacent to and above SBU's well house at the corner of 3<sup>rd</sup> Avenue and Florida Street. Felhofer/Wiesner to approve the extension of the lease with Bay Shipbuilding in the amount of \$1,355.73 for 2016/2017. Motion carried

General Manager Stawicki then presented a draft of the 2015 Audited Financial Statements. Weber/Birmingham to accept the 2015 Audited Financial Statements as presented. Motion carried.

Next Operations Manager White recommended a ratification of the contract for Oak Street and N 4<sup>th</sup> Avenue water and sewer main replacement. Wiesner/Birmingham to approve the contract ratification. Motion carried.

Operation Manager White presented the bids for the Loader/Backhoe purchase. Birmingham/DeNamur to accept the Brooks Tractor Inc. bid of \$104,900.00 for a 2016 John Deere model 410L loader/backhoe, less the trade-in value of \$25,000 .00 for a net cost of \$79,900.00. Motion carried.

Next a list of items to be declared as excess material/equipment was presented. Birmingham/Wiesner to approve the list as excess material/equipment. Motion carried. Next ratification was presented for the sale of a 2001 S-10 for \$4,200.00. Fett/Birmingham to approve the sale of the S-10. Motion carried. The snow blowers and underground utility locator will be donated to non-profit organizations and educational facilities. The conduit will be made available to contractors for a reduced price.

Operations Manager White presented the bids for a pole trailer purchase. Felhofer/Birmingham to accept the Roland Machinery bid of \$17,696.81 for the pole trailer. Motion carried.

The operations report was presented by Operations Manager White. An overview of the APPA Legislative rally in Washington DC was presented by Operations Manager White. White also gave an update on lead testing. Fett/DeNamur to accept the Operations Report for March. Motion carried.

There were no council member updates.

The next item of business was the General Manager's report.

- a) Adjustments for the month
- b) WPPI Regional Dinner
- c) LED streetlight tariff

Wiesner/Fett to adjourn. Motion carried. The meeting adjourned at 12:55 p.m.

---

Cindy Weber  
Secretary

Approved for publication:

---

Stewart Fett  
President

---

James Stawicki  
General Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SPECIAL  
FINANCE/PURCHASING & BUILDING COMMITTEE  
May 17, 2016**

A meeting of the Finance/Purchasing & Building Committee was called to order at 4:00 pm by Alderperson Fett in the Council Chambers, City Hall. Roll call: Alderpersons Fett, Stults and Ireland were present. Also present: City Administrator VanLieshout, Finance Director/City Treasurer Clarizio, Fire Chief Dietman, Assistant Fire Chief Montevideo and Receptionist Metzger.

A motion was made by Alderperson Stults, seconded by Alderperson Ireland to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Consideration of: Budget Amendment for Purchase of Self-Contained Breathing Apparatus Units.
4. Adjourn.

Carried.

Consideration of: Budget Amendment for Purchase of Self-Contained Breathing Apparatus Units.

Fire Chief Dietman began the discussion explaining that the self-contained breathing apparatus units have a life expectancy of 15 years. In 2007 the Fire Department received a grant to replace 20 units which will come due for replacement in 2022. Currently, \$14,000- \$15,000 is set aside annually in the capital budget to replace a few units each year. Due to changes in NFPA standard, if the Fire Department continues to purchase the same type of unit (2216psi bottle), they would lessen the effective working time since the new NFPA standard has the low air alarm set at 33% of the total capacity. This would only allow for 8-11 minutes of working air. Chief Dietman explained that any new purchases will be with the new NFPA standard, and changing to a 45 min 4500psi unit. Three different brands were tested by the department one of which is Interspiro. Interspiro has presented the city with a one-time offer to purchase 40 units in the amount of \$202,394.00, less a grant in the amount of \$10,798.00 with total purchase price in the amount of \$191,596.00. Additionally, the potential revenue from the sale of the existing SCBA equipment could generate approximately \$10,000.00 - \$15,000.00 in revenue. By purchasing the 40 air packs now the city would save \$90,000 between now and 2022. This offer expires July 15, 2016, after which the cost will increase to the standard \$5,399 per air pack. Chief Dietman stated that the cost adjustment would come off the 2017 aerial truck purchase. There would be an increase to the capital budget for 2016 but a decrease for 2017. The aerial truck can still be purchased for under \$1,000,000.00. Finance Director/City Treasurer Clarizio stated that a loan was originally planned for the 2017 aerial truck purchase. While anticipating that the debt difference between the increased air pack cost and decreased aerial truck cost should be as originally planned. Ms. Clarizio stated that if the State issues the debt obligation, a payment may not need to be made for 2016. City Administrator Van Lieshout commented that the tax levy would not be affected by the budget amendment because the aerial truck purchase is coming in at a lower cost for 2017. Chief Dietman stated that rather than incremental budgeting on an annual basis they would budget every 15 years as a replacement.

Moved by Alderperson Stults, seconded by Alderperson Ireland to accept the quote from Paul Conway Shields in the amount of \$202,394.00, less the grant in the amount of \$10,798.00, to purchase 40 SCBA units and associated equipment in an amount not to exceed \$191,596.00, and to waive the City's purchasing policy bidding requirements. Further, authorize the issuance of debt for the purchase of the SCBA units and associated equipment. Carried.

Moved by Alderperson Fett, seconded by Alderperson Stults to adjourn. Carried. The meeting adjourned at 4:16 pm.

Respectfully submitted,

A handwritten signature in black ink that reads "Tricia Metz". The signature is written in a cursive style with a long, sweeping tail on the "z".

Tricia Metz

**FINANCE/PURCHASING & BUILDING COMMITTEE**  
**May 31, 2016**

A meeting of the Finance/Purchasing & Building Committee was called to order at 4:01 pm by Chairperson Fett in the Council Chambers, City Hall. Roll call: Alderpersons Fett and Stults were present. Alderperson Ireland was excused. Also present: City Administrator VanLieshout, Fire Chief Dietman, and Receptionist Metzger.

A motion was made by Alderperson Fett, seconded by Alderperson Stults to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Consideration of: Fee for Tent Inspection.
4. Consideration of: Contracts for Fire Department Intern.
5. Review of unfinished business list.
6. Review bills.
7. Adjourn.

Carried.

Consideration of: Fee for Tent Inspection:

Chief Dietman explained that the tent inspection fee was originally approved at the May 17, 2016 Common Council. However, there was a typographical error in regard to the sizing of tents to be inspected. The tent sizing should read as follows changing > 400sq.ft to >700sq.ft:

Approved at 5/17/16 Council

Tents over 400 sq. ft. w/2 sides & all > 400sq.ft \$30 for up to 2 tents/\$15 per tent over 2

Proposed Change

Tents over 400 sq. ft. w/2 sides & all > 700sq.ft \$30 for up to 2 tents/\$15 per tent over 2

Moved by Alderperson Stults, seconded by Alderperson Fett to recommend to Common Council to approve the tent inspection fee with the corrected sizing and forward a resolution to Council. Carried.

Consideration of: Contracts for Fire Department Intern:

Chief Dietman explained that the department has taken in interns from various technical colleges from around the state. They are not employees of the City and are therefore covered by their respective schools as a student. It was realized that the City does not have sufficient agreements in place that assures both the student and City that coverage is being provided.

Moved by Alderperson Fett, seconded by Alderperson Stults to recommend to Common Council to accept the agreements for NWTC and the Blank form for future use to be signed on behalf of the City by the Fire Chief. Carried.

The unfinished business list was briefly discussed.

Review bills

Moved by Alderperson Stults seconded by Alderperson Fett to approve the bills as presented and forward to the Common Council for payment. Carried.

Moved by Alderperson Fett, seconded by Alderperson Stults to adjourn. Carried. The meeting adjourned at 4:08 pm.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Tricia Metzger". The signature is written in black ink and is positioned above the printed name.

Tricia Metzger

## **Bicycle and Pedestrian Advisory Board Meeting Minutes Thursday, June 2, 2016**

The Bicycle and Pedestrian Advisory Board meeting was called to order at 4:00 p.m. by Chairperson Jerry Stults in the 2<sup>nd</sup> floor Conference Room, City Hall, 421 Michigan Street.

**Roll Call:** Members Chairperson Jerry Stults, Chad Shefchik, Laurel Brooks, Mark Jenkins, Becky Kerwin, and Rhonda Kolberg were present. Also present were Ryan Kernosky and Police Assistant Candy Jeanquart.

**Adoption of agenda:** Moved by Mr. Jenkins, Seconded by Ms. Kolberg to adopt the following agenda:

1. Roll call.
  2. Approval of agenda.
  3. Approval of minutes from March 3, 2016.
  4. Consideration of: Vice Chairperson
  5. Consideration of: City Bike Route – 1<sup>st</sup> Avenue
  6. Update of: Bike Racks
  7. Presentation of: Remaining 2020 of 5 Year Capital Plan – Chad Shefchik
  8. Adjourn
- All in favor. Carried.

**Approval of minutes from March 3, 2016:** Moved by Mr. Jenkins, Seconded by Ms. Kolberg to approve the minutes from March 3, 2016. **All in favor. Carried.**

**Open Board Position:** Mr. Shefchik explained to the board that Randy Watermolen retired from Sturgeon Bay School and no longer will be on the Bicycle and Pedestrian Advisory Board. Once the school fills the position, that person will be offered a board position or another employee from the school. Mr. Stults will send a "Thank You" to Mr. Watermolen for his time on the board.

**Consideration of: Vice Chairperson:** Mr. Stults asked the board for recommendation for a Vice Chairperson. Moved to have Mr. Shefchik by Ms. Kerwin, Seconded by Ms. Brooks. **All in favor. Carried**

**Consideration of: City Bike Route – 1<sup>st</sup> Avenue:** Mr. Shefchik recommended discussing an option for a new route for 1<sup>st</sup> Avenue prior to the street vacation being finalized, and investigate what bike route maps are available for the public to view. Ms. Kerwin will research what bike route maps are available for the public.

Mr. Kernosky, City Planner, presented a Proposed Bike Route 1<sup>st</sup> & Jefferson Street Vacation map for the board to view for possible route alternatives. It was questioned

about bikes being on sidewalks and per Mr. Shefchik there are currently no regulations for bicyclist on the sidewalks. Mr. Kernosky will research state laws for bicycles on sidewalks and signage for the next meeting.

**Motion to Parking and Traffic to propose (on the event of street vacation) alternative bike route #1 per map created on March 15, 2016 provided by City Planner, Ryan Kernosky. Moved by Ms. Brooks, Seconded by Ms. Kerwin. All in favor. Carried**

4:30 Mr. Kernosky left.

**Update of: Bike Racks:** Mr. Shefchik will contact Matt Goll at NWTC in regards to class schedules and building the bike racks. Will be requesting 20 bike racks to be made. Mr. Stults will contact Stewart Fett in regards to the material. Ms. Kerwin will contact Door County Sports Alliance for their opinion on style and dimensions of bike racks. Mr. Shefchik will get dimensions for the bike rack style selected as the preferred style.

Estimated timeline for the bike racks:

- Have material list by August
- Mr. Shefchik and Mr. Stults to meet in regards to the material list
- Meet with Matt Goll, NWTC, before fall semester to organize class schedule to build the bike racks

**Presentation of: 2020 of 5 Year Capital Plan – Chad Shefchik:** No discussion. Postponed until the meeting on July 7, 2016.

Bike City Renewal – Mr. Shefchik has the original application along with the new application. Will discuss in future meetings.

**Meeting ended at 4:55 p.m.**

Respectfully submitted,

*Candy Jeanquart*

Candy Jeanquart  
Police Assistant

**COMMUNITY PROTECTION & SERVICES COMMITTEE****June 9, 2016**

A meeting of the Community Protection & Services Committee was called to order at 4:05 p.m. by Chairperson Wiesner in Council Chambers, City Hall. **Roll Call:** Members Mr. Wiesner and Ms. Catarozoli were present. Also present were Josh VanLieShout and Stephanie Reinhardt from City Hall, Attorney Randy Nesbitt, and Alderman Fett.

*Moved by Ms. Catarolozzi, seconded by Mr. Wiesner to adopt the following agenda:*

1. Roll call.
2. Adoption of agenda.
3. Consideration of: Liquor License Renewals for 2016-2017 License Year
5. Adjourn

*Carried.*

**Revised Liquor License Ordinance**

City Clerk, Stephanie Reinhardt, expressed that it was that time during the year the liquor license renewals go out. In December of 2014, Council passed on changes made to ordinance section 9.01(6) and 9.01(7). Section 9.01(6)(e) had a language addition stating any party holding a Class B liquor license shall suspend or cease doing business selling alcohol beverages for a period of 90 consecutive days or more, such licensee shall be in violation of this section and subject to non-renewal by the Common Council. Any class B liquor license holder who does not have documented liquor sales for at least 180 days per license year shall be in violation of this section and subject to non-renewal of such license. The addition allows the City to pull the license when it becomes apparent an owner of a business is not using the license.

Renewal packets were sent out to all license holders; proof of the above ordinance was requested. At this time, there are four establishments that are questionable for renewal.

Attorney Nesbitt explained how licenses are lost through suspension/non-renewal as a result of not being used. The second way a license may be lost is if the authorizing agent holding the license closes the business, and there is not another business replacing the one being closed, then the license is subject to non-renewal. Last year was the introductory year for the ordinance change. Letters were sent. Those not eligible for renewal may request a denial hearing with the Council.

Mr. Wiesner commented there are businesses that would like to hold a class B liquor license; the intent for the ordinance was to make all who hold one either use it, or lose it. Ms. Reinhardt added July 1<sup>st</sup> is the deadline for renewal.

**Michael Hall: 614 S. 10<sup>th</sup> Avenue**

Mr. Hall spoke on the plans he has for The Olde Opera House, 23 West Oak Street. The previous business owner, Ben Dowland (Benny D's) went into foreclosure and walked out with past due bills and goods left behind. Mr. Dowland did not renew the license.

Mr. Hall and his family would like to get the business back and make something out of it. He is working on securing a land contract with his parents who own the business. He has been working on cleaning up the building. There has been a lot of property damage such ceiling damage to the roof in the kitchen.

Attorney Nesbitt clarified that this would not be considered a renewal, as much as it would be a new application as the license is being abandoned by the former business owner.

Ms. Catarozoli felt a license should be given to help get the business back running. Mr. Wiesner would like to have more information to give to Council; like when the business is scheduled to reopen and what will the hours be. At this time Mr. Hall stated he would like to open in July of this year; seven days a week 4pm-close. Since the kitchen needs repair, only the bar would open.

*Moved by Ms. Catarozoli, seconded by Mr. Wiesner do hereby recommend to the Common Council to approve the issuance of the Combination Class B Liquor License to The Olde Opera House, LLC to serve the property at 23 West Oak Street. All ayes. Carried.*

**Sturgeon Bay Jaycees**

At this time there has only been correspondence with the Jaycees. No one was at the meeting to represent. Mr. Wiesner questioned whether social clubs can do things differently. Attorney Nesbitt stated that nothing is written into the ordinance, it is up to the committee as whether or not to enforce the ordinance. Ms. Catarozoli wondered if a temporary license is possible for them to obtain. Attorney Nesbitt state not a license to sell liquor; only beer and wine. Ms. Reinhardt said there is a picnic license that can be purchased for \$10. Private events may bring in liquor, but it cannot be sold.

*Moved by Ms. Catarozoli, seconded by Mr. Wiesner do hereby recommend to the Common Council to deny the renewal of the Combination Class B Liquor License to the Sturgeon Bay Jaycees to serve the property at 340 Jaycee Court. All ayes. Carried.*

**Scott Nyholm: 2305 W. Applewood Lane, Glendale, WI**

Mr. Nyholm stated they are in the process of reopening the restaurant. Two new managers have been hired, and people are already calling to book reservations. He stated that last summer they were open 220 days total; and when the Inn is open the bar is automatically open, however they didn't track liquor sales and a lot of patrons would come in for soda as well.

Mr. Nyholm went on to state the restaurant is scheduled to be open by July of this year. It will be open seven days a week, year-round. Mr. Nyholm explained how the bar mainly supports the dinner crowd; it is not a hang out all night bar.

Ms. Catarozoli suggested better sale documents be obtained in the future.

*Moved by Mr. Wiesner, seconded by Ms. Catarozoli do hereby recommend to the Common Council to approve the issuance of the Combination Class B Liquor License to IBMN, Inc. to serve the property at 1009 S. Oxford Avenue. All ayes. Carried.*

**Scott Strang: CenterPointe Marina**

Mr. Strang represented Shipyard Partners, LLC, owners of CenterPointe Marina. A calendar highlighted the days the bar had been open the previous year; and receipts are available. Mr. Strang explained the bar is open Thursday thru Sunday afternoon. On nice weather days, the bar is placed outdoors; on inclement weather days it is placed in the 2<sup>nd</sup> level clubhouse. The bar is open to the public; and also is used to host wedding receptions in the show room building across from the marina. Many special events go on at the bar, and they are all open to the public. Next year the plan is to open a permanent outdoor tiki-type bar.

*Moved by Mr. Wiesner, seconded by Ms. Catarozoli do hereby recommend to the Common Council to approve the issuance of the Combination Class B Liquor License to Shipyard Partners, LLC to serve the property at 77 S. 1<sup>st</sup> Avenue. All ayes. Carried.*

No action was taken regarding the Nautical Inn class B liquor license; a renewal application has not been received and no one was at the meeting representing the owner (which is Nicolet Bank).

*Moved by Ms. Catarolozi, seconded by Mr. Wiesner to adjourn the meeting of the Community Protection Services Committee. All ayes. Carried. The meeting was adjourned at 4:55 p.m.*

Respectfully submitted,

Sarah Spude-Olson  
Police Department  
Administrative Office Manager

CITY OF STURGEON BAY  
INSPECTION DEPARTMENT  
May 31, 2016

THE FOLLOWING IS THE MONTHLY SUMMARY OF THE ACTIVITIES OF THE INSPECTION DEPARTMENT FOR THE MONTH OF MAY, 2016

May-16	YEAR TO DATE		May-16	YEAR TO DATE
0	2	ONE FAMILY DWELLINGS	-----	916,400
0	0	TWO FAMILY DWELLINGS	-----	-----
0	0	MULTIPLE FAMILY DWELLINGS	-----	-----
0	9	MANUFACTURED HOME	-----	380,974
0	0	C.B.R.F.	-----	-----
0	3	RESIDENTIAL ADDITIONS	-----	340,840
4	14	RESIDENTIAL ALTERATIONS	62,200	505,500
1	1	RESIDENTIAL GARAGES/CARPORTS	4,000	4,000
0	0	RESIDENTIAL GARAGE ADDITIONS & ALTERATIONS	-----	-----
1	2	RESIDENTIAL STORAGE BUILDINGS	25,000	28,300
0	0	RESIDENTIAL SWIMMING POOLS	-----	-----
0	0	NON-RESIDENTIAL SWIMMING POOLS	-----	-----
0	2	NEW COMMERCIAL BUILDINGS	-----	2,632,558
1	1	NON-RESIDENTIAL GARAGES & STORAGE BUILDINGS	2,000	2,000
0	1	NON-RESIDENTIAL ADDITIONS	-----	525,000
4	14	NON-RESIDENTIAL ALTERATIONS	730,230	1,112,635
0	0	MUNICIPAL BUILDINGS	-----	-----
0	0	WAREHOUSES	-----	-----
0	0	FACTORY & SHOP	-----	-----
0	0	COMMUNICATION TOWER	-----	-----
0	0	SUBSTATION	-----	-----
0	0	AGRICULTURAL BUILDINGS	-----	-----
11	49	<b>TOTAL ESTIMATED COST OF CONSTRUCTION</b>	\$823,430	\$6,448,207

May-16	YEAR TO DATE	TOTAL PERMITS ISSUED	May-16	YEAR TO DATE
11	49	BUILDING PERMITS	2,658.00	11,210.00
10	51	ELECTRICAL PERMITS	1,553.00	6,335.00
7	36	PLUMBING PERMITS	2,413.00	4,528.00
5	27	HEATING PERMITS	1,103.00	4,325.00
13	70	SIGN PERMITS	490	2,400.00
0	3	MISCELLANEOUS PERMITS	-----	75.00
0	0	SUMP PUMP PERMITS	-----	-----
0	0	ELECTRICIAN LICENSES	-----	-----
0	0	EARLY STARTS	-----	-----
1	7	EROSION CONTROL	45.00	995.00
0	0	STATE PLAN APPROVALS	-----	-----
0	2	PARK & PLAYGROUND PAYMENTS	-----	600.00
0	11	WISCONSIN PERMIT SEALS	-----	385.00
3	8	ZONING BOARD OF APPEALS APPLICATIONS	900	2,400.00
1	1	ZONING CHANGES/P.U.D. APPLICATIONS	400	400
0	0	PLAN COMMISSION - CONDITIONAL USES	-----	-----
1	5	CERTIFIED SURVEY MAP REVIEWS	30	230.00
0	0	SUBDIVISION PLATTING REVIEW	-----	-----
0	0	MISCELLANEOUS REVENUE	-----	-----
0	0	(COPIES, POSTAGE, SALE OF MAPS, ETC.)	-----	-----
0	0	RESIDENTIAL BUILDINGS MOVED	-----	-----
0	0	NON-RESIDENTIAL BUILDINGS MOVED	-----	-----
0	0	CHANGE OF USE	-----	-----
0	0	RESIDENTIAL OCCUPANCY FEES	-----	-----
17	21	COMMERCIAL OCCUPANCY FEES	850	1,050.00
0	0	PIER PERMIT	-----	-----
0	1	DEMOLITION	-----	25.00
0	5	PLAN REVIEW FEE	-----	1,550.00
		ADMIN FEE	472.00	1,476
TOTAL RECEIPTS DEPOSITED WITH CITY TREASURER			\$10,914.00	\$37,984.00

Cheryl Nault  
Building Inspection Dept.



# 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 Josh VanLieshout  
                   Officers of the Sturgeon Bay Police Department  
                   Media

From:         Captain Daniel J. Brinkman

Subject:      Monthly Report for May, 2016

Date:         June 13, 2016

The following is a summary of the Police Department’s activities for the month of May that includes crimes investigated, 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 79 crimes.

These crimes can be broken down and classified as follows.

Battery .....	02
Burglary.....	01
Disorderly Conduct .....	14
Custody Dispute .....	02
Controlled Substance Problem .....	05
Criminal Damage to Property .....	08
Fraud.....	05
Domestic Abuse.....	03
Family Fights .....	01
Juvenile Problems.....	10
Theft .....	07
Threats to Harm.....	06
Identity Theft .....	01
Harassment .....	09
Sexual Assault .....	03
Resist/Interfere with Officer .....	01
Violate Court Order .....	01

**TOTAL 79**

The above crimes resulted in the loss of \$2,214 to the community, of which \$0 has been recovered.

**Arrests**

The Department completed a total of 128 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.

<b>A. Felony Crime Arrest</b>	
Sexual Assault.....	02
Physical Abuse of Child.....	01
Possess Controlled Substance.....	01
	<b>TOTAL 04</b>

<b>B. Misdemeanor Crime Arrests</b>	
Battery.....	05
Disorderly Conduct.....	11
Bail Jump.....	01
Criminal Damage to Property.....	03
Criminal Trespass to Dwelling.....	01
Possess Drug Paraphernalia.....	04
Possess Marijuana.....	02
Possess Narcotics w/o Prescription.....	01
	<b>TOTAL 28</b>

Wisconsin Probation & Parole Violation Arrests / Warrant Arrests.....	20
	<b>TOTAL 20</b>

<b>C. Ordinance Violation Arrests</b>	
Possess Drug Paraphernalia.....	01
Disorderly Conduct.....	02
Throwing Projectile.....	02
Trespass to Land.....	01
Truancy.....	02
Underage Possession of Tobacco.....	02
Underage Possession of Alcohol.....	03
Fail to display boat registration.....	01
	<b>TOTAL 14</b>

<b>D. Traffic Crime Arrests</b>	
Operating while Intoxicated (2 <sup>nd</sup> or more).....	06
Operating while Revoked.....	01
	<b>TOTAL 07</b>

<b>E. Traffic Violation Arrests</b>	
Operating a Motor Vehicle While Intoxicated.....	03
Speeding Violations.....	13
Motor Vehicle Registration Violation.....	04
Operating While Driver's License Suspended/Revoked.....	11
Operate Vehicle w/o Insurance.....	04
Miscellaneous Moving Traffic Violations.....	16
Seatbelt Violation.....	04
	<b>TOTAL 55</b>

In addition to the preceding arrests, the Department conducted a total of 260 traffic stops during the month and logged 114 violations for various motor vehicle defects and local ordinances and issued 98 written warnings for those violations. A total of 6 parking tickets were issued for parking violations throughout the city.

**Traffic Accidents**

The Department during the month investigated a total of 35 vehicle accidents. These accidents are categorized into four types.

A.	Motor Vehicle Accidents Involving Fatalities .....	00
B.	Motor Vehicle Accidents Involving Injuries.....	02
C.	Motor Vehicle Accidents Involving Property Damage .....	25
	(greater than \$1,000.00)	
D.	Motor Vehicle Accidents Involving Property Damage .....	08
	(less than \$1,000.00)	
		<b>TOTAL 35</b>

**Police Service Calls**

Department members handled 490 service calls during the month. These calls consist of both citizen requests for police service as described below (356), crimes investigated (79), traffic accidents investigated (35), and Wisconsin Probation and Parole Assists 20.

A.	Traffic and Road Incidents.....	55
	This category consists of all assignments involving assists to stranded motorists, directing traffic, complaints of noisy or otherwise disorderly vehicles, removing obstructions from roadways, and all parking problem complaints.	
B.	Noise Complaints.....	07
	These complaints involve private parties, licensed liquor establishments, and parties in public places.	
C.	Sick and Injured Persons.....	08
	Assistance rendered to the Ambulance Service and sick or injured persons.	
D.	Alarms.....	09
	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.....	20
	Investigations by officers of noisy animals, loose animals, animal bites, wild animals and sick, injured or dead animal complaints.	

F. Civil Disputes.....	07
Arguments between neighbors, landlords and tenants, and family members where no crimes have been committed.	
G. Escorts.....	32
Transporting citizens, money escorts for area financial institutions, funerals, and for area industry and farming.	
H. Citizen Assist .....	62
This category is broad and involves such services as assistance in gas drive-off's, emergency notifications, attempts to locate people, retrieval of personal property, and vehicle registration assistance.	
I. Assistance Rendered to Other Agencies.....	05
Includes assistance to other law enforcement and government agencies.	
J. Suspicious Person / Vehicle / Circumstance .....	27
Involves both citizen complaints and observations by officers on patrol who took investigative action in regard to the suspicious behavior of vehicles and people.	
K. Liquor Establishments.....	00
Officers conducting compliance checks and investigations concerning problems with customers.	
L. Self-Initiated Field Activity.....	13
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.	
M. Juvenile Problems .....	10
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.	
N. Miscellaneous Incidents .....	88
Includes arrest warrants served, recovered property calls, and all unfounded calls for police service. This category includes 9-1-1 calls investigated by Department members during the month.	
O. Welfare Checks .....	13
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.	

**TOTAL 356**

**Department Mileage and Fuel Consumption**

Officers patrolled a total of 10,465 miles with department vehicles, consuming 1023 gallons of fuel. The fleet averaged 10.2 miles per gallon of fuel during the month.

**Department Training**

Officers Neil Dorner and Derek Jennerjohn provided monthly training to 6 members of the Lakeshore Police Explorers, Post 9368. The Joint SWAT and Joint Dive teams completed their monthly training. The month of May was a busy month for department training. One officer attended an 8 hour course on Emergency Vehicle Operations: From Sedan to SUV. One officer became certified as a department Field Training Officer after attending a 40 hour course in that instruction. Nine officers attended a one day course on Community Policing & Problem Solving. Three officers attended a one day session on Seated Standard Field Sobriety Testing. One officer attended a 40 hour course on Basic SWAT and one officer attended a 40 hour course on Search and Rescue.

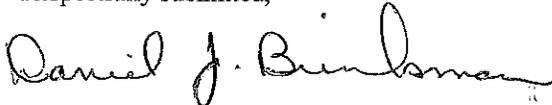
**Public Education**

Captain Dan Brinkman and Sgt. Jason Albertson presented Civilian Response to Active Shooter Events (CRASE) to the staff at the Sturgeon Bay YMCA and Captain Brinkman presented CRASE to the staff at the Animal Clinic of Sturgeon Bay and the staff at Curative Connections in Green Bay.

**Noteworthy Notes**

Memorial Day weekend brought many visitors to Sturgeon Bay and Door County. With the BayView Bridge closed and Hwy 42/57 under construction, the city of Sturgeon Bay was quite busy with motorists and pedestrians trying to navigate to destinations in the city and beyond. The Sturgeon Bay Police Department was out in force directing traffic and did an outstanding job keeping the traffic moving. Because of their efforts, there were no major accidents or incidents to report. The Sturgeon Bay Police Department would like to thank everyone for their patience, courtesy and understanding.

Respectfully submitted,



Captain Daniel J. Brinkman

**BEVERAGE OPERATOR LICENSES**

1. Eisen, Mitchell H.
2. Englebert, Roy H.
3. Funkhouser, Paige L.
4. Lamacchia, Kirsten L.
5. Morse, James R.
6. Olson, Laura L.
7. Sarter, Julie A.
8. Sperber, Ryan R.
9. Starr, Penny A.

**TEMPORARY CLASS B BEER:**

Knights of Columbus Council 2478  
692 Tacoma Beach Road  
Sturgeon Bay, WI 54235  
Agent: Paul Penovich  
Location: Corner of 3<sup>rd</sup> Avenue & Kentucky Street  
Date: July 28, 2016 – Sidewalk Sales

**TEMPORARY CLASS B BEER & CLASS B WINE:**

Boys & Girls Club of Door County  
55 S. Third Avenue  
Sturgeon Bay, WI 54235  
Agent: Nicolo Valdarotta  
Location: Martin Park – Harmony By the Bay  
Date: July 6, 2016

Boys & Girls Club of Door County  
55 S. Third Avenue  
Sturgeon Bay, WI 54235  
Agent: Nicolo Valdarotta  
Location: Martin Park – Harmony By the Bay  
Date: August 24, 2016

**TEMPORARY CLASS B WINE:**

Door County Renaissance Development Group, Inc.  
914 South Fulton Avenue  
Sturgeon Bay, WI 54235  
Agent: Sandra Stetler  
Location: Martin Park – Harmony By the Bay  
Date: June 29, 2016

C 1100602 #2

### SIDEWALK CAFÉ PERMIT APPLICATION

Application for sidewalk café permit must include:

1. **Written request.**
2. **Scaled diagram** (scale 1":1') detailing the frontage of the applicants café or restaurant facing the sidewalk area requested for use as a sidewalk café. The plan shall indicate the location of doorways, width of sidewalk (distance from curb to building face), location of trees, tree wells, sidewalk benches, trash receptacles, utilities (including fire hydrants, light fixtures, etc.) newspaper racks, mailboxes, and any other semi-permanent sidewalk obstruction which may affect or be affected by the proposal. The drawing shall delineate the area requested for use as a sidewalk café, and indicate the total square footage of the affected road right of way and exact dimensions of the proposed outdoor area.
3. **Copy of current Certificate of Insurance with City named as additional insured.**
4. **Completed Hold Harmless Certificate.**
5. **Non-refundable application fee in the amount of \$55.00 per location if alcohol is not served.**  
**Non-refundable application fee in the amount of \$220.00 per location if alcohol is served.**

Name of applicant: Deer Terry Ullmer

Establishment Name: Deer County Candy

Address: 12 N. 3rd.

Phone/Email: Deercountycandy@gmail.com

Written Request Submitted  Cert of Insurance (additional insured) submitted

Scaled Diagram submitted  Hold Harmless Certificate submitted

Fee Paid \$55.00

Date Completed Application Submitted: 5/26/16

Community Development Approval: Master Skjint 6-1-16

Department of Public Works Approval: Bob Ford 6-6-16

Date of Common Council Approval: \_\_\_\_\_

- Copy of Sidewalk Café Policy/Procedures provided to applicant.
- Copy of Sidewalk Café Ordinance provided to applicant.

\*See back for "Alcohol Being Served Application Submission Information."



**EXECUTIVE SUMMARY**

**TITLE:** Resolution Adopting the Door County Hazard Mitigation Plan.

**BACKGROUND:** Under the U.S. Disaster Mitigation Act, local governments are required to prepare hazard mitigation plans in order to be eligible for funding from FEMA for mitigation activities and future disaster relief funds. The Door County Emergency Management Department and Door County Planning Department took the lead on developing a countywide plan that would include all the municipalities. The City of Sturgeon Bay participated in this planning effort. Door County's plan has been conditionally approved by FEMA. If approved by the Common Council, it will satisfy the requirements of the Disaster Mitigation Act and allow the City of Sturgeon Bay to be eligible for mitigation and relief funds. Adoption of the plan does not obligate the City to expend funds or implement mitigation projects.

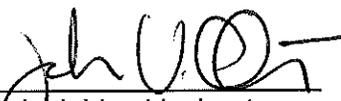
The Door County Hazard Mitigation Plan includes a comprehensive risk assessment for both natural and non-natural hazards. Maps are included that identify potential hazards and vulnerable assets. The plan also contains strategies and actions to mitigate or lessen the risks to people and property from the hazards. Some of these have already been implemented in the City of Sturgeon Bay.

**FISCAL IMPACT:** There is no cost to City to adopt the plan. In addition, the preparation of the plan was mostly covered by a grant with the local share covered by Door County.

**RECOMMENDATION:** Approve the resolution adopting the Door County Hazard Mitigation Plan.

Prepared by:   
Martin Olejniczak  
Community Development Director

6/15/16  
Date

Reviewed by:   
Josh Van Lieshout  
City Administrator

6/17/16  
Date

**RESOLUTION**

**ADOPTION OF DOOR COUNTY’S HAZARD MITIGATION PLAN**

WHEREAS, The City of Sturgeon Bay recognizes the threat that natural and non-natural hazards pose to people and property; and

WHEREAS, It is understood that undertaking pre-disaster hazard mitigation measures may reduce the potential for harm to people and property and save taxpayer dollars; and

WHEREAS, The Disaster Mitigation Act of 2000 (Public Law 106-390) is U.S. federal legislation passed October 30, 2000 that amended provisions of the United States Code related to disaster relief; and

WHEREAS, An adopted all hazards mitigation plan is required as a condition of grant funding for both pre-disaster hazard mitigation measures and post-disaster recovery measures for Door County and all participating municipalities including the City of Sturgeon Bay; and

WHEREAS, In 2015 Door County’s Emergency Services Department formed a multi-jurisdictional advisory committee to conduct a hazard/vulnerability analysis and prepare a county-wide all hazards mitigation plan that conforms with state and federal guidelines; and

WHEREAS, the City of Sturgeon Bay participated in the advisory committee’s preparation of the all hazards mitigation plan and is included in the plan and, therefore, will become eligible for funding for pre-disaster hazard mitigation measures and post-disaster recovery measures; and

WHEREAS, The “Door County Hazard Mitigation Plan” is not intended to, and does not, obligate Door County or the City of Sturgeon Bay to undertake any of the recommended activities and/or projects; and

WHEREAS, Adoption of the “Door County Hazard Mitigation Plan” furthers public purposes and is in the public’s best interests.

NOW, THEREFORE, BE IT RESOLVED, That the City of Sturgeon Bay Common Council hereby adopts the “Door County Hazard Mitigation Plan” (which is attached hereto and incorporated herein by reference as if set forth in full).

BE IT FURTHER RESOLVED, That a copy of this adopted resolution be provided to the Door County Emergency Services Department for inclusion in the adopted “Door County Hazard Mitigation Plan” being sent by Door County to Wisconsin Emergency Management and Federal Emergency Management Agency for final review and approval.

\* \* \* \* \*

Moved by \_\_\_\_\_, seconded by \_\_\_\_\_ to adopt resolution.

Passed the Common Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

# Door County Hazard Mitigation Plan

Adopted by the Door County Board of Supervisors on \_\_\_\_\_, 2016

Door County Planning Department

Door County Government Center

421 Nebraska Street

Sturgeon Bay, WI 54235

Phone: (920) 746-2323

FAX: (920) 746-2387

Web site: <http://map.co.door.wi.us/planning/>

**DRAFT SUBMITTED TO WISCONSIN EMERGENCY MANAGEMENT**

**May 25, 2016**

The following pages are the mitigation strategies from the plan. The entire plan can be viewed on the Door County Planning Dept. Web page. Note: Each council member received a complete plan.

**TABLE OF CONTENTS**

<b>CHAPTER 1: INTRODUCTION.....</b>	<b>1</b>
<b>CHAPTER 2: RISK ASSESSMENT.....</b>	<b>8</b>
<b>CHAPTER 3: MITIGATION STRATEGIES AND PLAN MAINTENANCE.....</b>	<b>45</b>
<b>APPENDIX A: PLANNING PROCESS DOCUMENTS.....</b>	<b>59</b>
<b>APPENDIX B: MUNICIPAL MEMORANDA OF AGREEMENT.....</b>	<b>84</b>
<b>APPENDIX C: SUMMARY OF CAPABILITIES.....</b>	<b>92</b>
<b>APPENDIX D: MAPS.....</b>	<b>100</b>

DOOR COUNTY HAZARD MITIGATION PLAN

Mitigation Strategy	Priority	Project Time Frame	Lead and Participating Agencies
<b>GENERAL ACTION ITEMS</b>			
1. Maintain and enhance CodeRed as the single most important source to alert the public to a hazard.	High	On-going	EMS
2. Incorporate some hazard mitigation planning, as appropriate, into future updates of the county's comprehensive and farmland preservation plan.	Medium	Every 10 yrs; next update no later than 2025	Planning
3. Distribute hazard mitigation materials at housing workshops, trainings, and orientation sessions.	Low	On-going	EMS DCEDC Attainable Housing Committee Lakeshore CAP
4. Utilizing the Wisconsin Historical Society's GIS database on historical and archeological sites, develop a GIS layer identifying those that are located within the 100-year floodplain.	Low	10+ years	Planning
5. Continued use and further development of the county's Geographic Information System for emergency service purposes. <i>Note: After a meeting with IS/LIO, EMS, and Planning regarding a mock-up of GIS hazard mitigation plan information, EMS decided this feature was not helpful enough to pursue finalization at this time. If up-to-date utilities information can ever be obtained on a regular basis, this action item should be re-evaluated.</i>	Low	10+ years	EMS IS/LIO Planning
6. Research/install backup power supply system for county critical facilities.	High	1 – 5 years	EMS Buildings and Grounds
7. Research alternative communication opportunities to assist overloaded dispatch capabilities due to a catastrophic event. <i>Note: The Door County Sheriff's Department has a command vehicle that can also serve as a 911 call center. Testing of the 911 call center function will take place in 2016. In the meantime, the current 911 call center has a manual switch that will transfer calls to Brown County in the event the call center becomes overloaded.</i>	High	2016	Sheriff's CATS

DOOR COUNTY HAZARD MITIGATION PLAN

Mitigation Strategy	Priority	Project Time Frame	Lead and Participating Agencies
8. Continue to add to and update information on the Sheriff's Department Web site regarding types of hazards and how to respond in the event of a hazard or potential hazard, as well as links to sites with information related to weather conditions, burning practices/regulations, hazardous material spills, etc.	Low	On-going	Sheriff's IS
<b>STORMS AND/OR HAZARDOUS WIND EVENTS</b>			
1. Continue to utilize public awareness methods such as radio and television stations and outdoor warning systems.	High (V. SB – Medium)	On-going	EMS Local municipalities
2. Investigate the feasibility of increasing the number of sirens located throughout the county. <i>(Note: the City and Village of Forestville already have outdoor warning systems.)</i>	Low	10+ years	Local municipalities
3. Continue to prepare and distribute educational materials to the public on severe weather safety procedures.	High (V. SB – Medium)	On-going	EMS
4. Inventory and investigate the feasibility of providing safe shelters and signage at state, county, and local parks and recreation areas.	Low (City – not doing)	10+ years	Parks Local parks
5. Install lightning protection devices and methods such as lightning rods and grounding on each community's communications infrastructure and other critical facilities. <i>Notes: The City has already done this. For the county, possibly prioritize those without first vs. newer buildings.</i>	Low	10+ years	Sheriff's CATS Local municipalities IS
6. Analyze lightning grade surge protection for critical electronic equipment used for response and recovery. <i>Note: Already done for data centers. IS follows best practices and electrical codes (i.e., proper grounding and UPS protection) when computer infrastructure is installed. Analysis is only done when the equipment does not work.</i>	Low	10+ years	Sheriff's/CATS IS
7. Promote tornado safety public information as well as other summer severe weather public awareness/educational efforts through continued partnership with the National Weather Service.	High	On-going	EMS
8. Assist personnel in schools and businesses, public facility managers, and individuals in determining "best available" tornado safety areas.	High	On-going	EMS
9. Develop and maintain a comprehensive safety plan for each publicly-owned building.	Low (V. SB – Medium)	10+ years	Airport Building and Grounds EMS

DOOR COUNTY HAZARD MITIGATION PLAN

Mitigation Strategy	Priority	Project Time Frame	Lead and Participating Agencies
<ul style="list-style-type: none"> <li>Government and Senior Centers have plans and are reviewed annually.</li> <li>Library plan is in process.</li> <li>Airport and Highway Departments do not have plans.</li> </ul> <p><i>Note: the City has already done this.</i></p>			Highway Sheriff's Library Local municipalities
10. Continue efforts to improve mobile home safety in windstorms and tornadoes through public education efforts and assistance in locating safe shelter sites, the requirement of tie-downs in mobile home parks, and the installation of outdoor warning sirens.	Low (City – Medium; V. SB – N/A)	On-going	Planning Local municipalities
11. Establish/maintain intergovernmental cooperation agreements with neighboring communities and private vendors to acquire any necessary additional equipment needed for storm clean-up. <i>(Note: the City has already done this.)</i>	V. SB – High	1 – 5 years	Local municipalities
12. Establish/continue tree trimming, drainage system clearance, and other maintenance programs. For example: <ul style="list-style-type: none"> <li>Village of Egg Harbor – Public Tree Removal Ordinance</li> <li>City – annual maintenance by Public Works Department and Sturgeon Bay Utilities</li> </ul>	Medium (City – high for tree trimming & low for drainage clearance; V. SB – Low)	On-going	Highway Local municipalities
13. Encourage utility companies and development firms to bury power lines in new developments or when upgrades are made to existing lines.	Low (City – No)	On-going	EMS Planning Local municipalities
14. Work with communities to develop and/or enforce restrictions on planting large or rapidly growing trees near power lines. <i>Note: City policy exists.</i>	Medium (V. SB – High)	On-going	Highway Local municipalities
<b>WINTER STORMS (HEAVY SNOW, BLIZZARDS, ICE)</b>			
1. Continue to ensure plowing and salting/sanding equipment is operational and available to handle potential emergencies.	High	On-going	Highway Local public works
2. Continue to ensure/establish communication lines between municipalities, police, fire, EMS, hospital/clinics, and highway/street departments.	Medium (City – High; V. SB – High)	On-going	EMS Sheriff's Highway Local municipalities
3. Provide for coordination of public safety, support agencies (such as American Red Cross and United Way), and resource acquisition during emergencies through implementation of the Door County Emergency Operations Plan.	High	On-going	EMS American Red Cross United Way

DOOR COUNTY HAZARD MITIGATION PLAN

Mitigation Strategy	Priority	Project Time Frame	Lead and Participating Agencies
4. Ensure/continue inclusion of driver safety strategies for severe weather events in driver education classes and materials.	Low	On-going	EMS Sheriff's Public schools
5. Collaborate with Soil and Water Conservation Department and the NRCS to expand windbreak planting, such as snow fences or "living snow fences" (rows of trees or other vegetation) to limit blowing and drifting of snow over critical roadway segments.	Medium (City – No; V. SB – Medium)	5 – 10 years	Highway SWCD Local municipalities
<b>HAZARDOUS TEMPERATURES</b>			
1. Encourage the county's human service entities and energy providers to continue to expand programs to assist at-risk populations in paying their utility bills and in acquiring appliances to mitigate extreme weather conditions.	Low	On-going	Public Health Human Services United Way
2. Work with the local community and social service agencies such as the Door County Aging and Disability Resource Center to establish and maintain a "friendly visitor" program designed to have volunteers call vulnerable individuals during temperature advisory situations.	Medium	5 – 10 years	Public Health Human Services/ADRC United Way
3. Establish/maintain agreements with such entities as local malls, libraries, and schools to serve as heating and cooling centers.	Low	On-going	Public Health
<b>HAZARDOUS RAIN EVENTS</b>			
1. Provide sewer back-flow prevention information and other floodproofing measures to communities through public information programs.	City – Low V. SB – Low	10+ years	Local municipalities
2. Encourage sewer utilities to provide back-up power sources at lift stations to help prevent sewer back-flow flooding. <i>Note: the City and Villages of Forestville &amp; Sister Bay have backup generators.</i>	Low (cost-prohibitive)	10+ years	Local municipalities
3. Prepare and maintain an evacuation plan for people and property, including dissemination of storm preparation measures and evacuation instructions to the public through the media.	High	2016	EMS
4. Continue to monitor the National Weather Service flood forecasts.	High	On-going	EMS
5. Maintain a process for the preparation of the opening and operation of congregate care facilities.	High	As-Needed	EMS

DOOR COUNTY HAZARD MITIGATION PLAN

Mitigation Strategy	Priority	Project Time Frame	Lead and Participating Agencies
6. Establish/maintain protective measures such as sandbagging, protection of buildings and other structures, and emergency gas and electricity cut-off procedures.	City – Low V. SB – Low	10+ years	Local municipalities
7. Prepare, adopt, and maintain proactive land use planning methods through the county's and municipalities' comprehensive plans and implementation tools such as land use regulations (codes and ordinances) and stormwater management plans.	Medium (City – Medium)	On-going	Planning Local municipalities
8. Adopt/enforce land use regulations that preserve natural resources adjacent to and in defined floodplains.	Medium	On-going	Planning Local municipalities
9. Inventory and assess areas throughout both the rural and urban areas of the county that have repeated flash-flooding problems and identify activities to remediate or rectify problems at those locations.	Medium (City – No)	5 – 10 years	EMS Local municipalities
10. Utilize FEMA floodplain mapping when adopted to update existing flood maps and data sources to better determine areas and facilities susceptible to recurring flooding. <i>Note: the City has already done this.</i>	As-Needed (City – Medium)	On-going	Planning Local municipalities
11. Maintain a stormwater management plan that includes such remediation techniques as surface detention basins and in-street detention units. <i>Note: the City has already done this.</i>	V. SB – Low	10+ years	Local municipalities
12. Implement a rural drainage improvement program that would include ditch, bridge, and culvert maintenance and improvements. <i>(Note: the City has already done this.)</i>	City – Medium V. SB – Medium	On-going	Local municipalities
13. Research WisDOT's Flood Damage Aid Program; disseminate information as appropriate.	Medium	On-going	EMS Planning
<b>HAIL</b>			
1. Continue distribution of information through the UW-Extension and other appropriate sources on various hail insurance options such as the commercial stock and mutual companies, and Federal Crop Insurance Corporation (FCIC).	TBD	TBD	UW-Extension
2. Document hail damage.	TBD	TBD	UW-Extension
3. Promote Crop Hail Insurance programs for the agricultural community.	TBD	TBD	UW-Extension

DOOR COUNTY HAZARD MITIGATION PLAN

Mitigation Strategy	Priority	Project Time Frame	Lead and Participating Agencies
<b>COMMUNICABLE DISEASES</b>			
1. Continue maintenance of a community public health system with adequate numbers of medical staff and sufficient disease monitoring and surveillance capabilities to adequately protect the population from small- and large-scale epidemics.	High	On-going	Public Health
2. Continue to encourage residents to receive immunizations against communicable diseases, including annual and special-strain flu shots.	High	On-going	Public Health
3. Promote public awareness and personal preparedness.	Medium	On-going	Public Health
4. Seek guidance from the State Pandemic Preparedness Plan.	Low	On-going	Public Health
<b>PRIVATE WATER SUPPLY CONTAMINATION</b>			
1. Research/implement expanded monitoring programs.	Medium (City – No; V. SB – Low)	5 – 10 years	SWCD Public Health Local municipalities
2. Manage the impact of new development on water quality through appropriate land use designations, decisions, and conditions.	High	On-going	Planning
3. Partner with county Soil and Water Conservation and Sanitarian Departments to review and potentially update ordinances, programs, and policies in order to better protect water quality.	High	1 – 5 years	Planning
<b>HAZARDOUS MATERIALS – ROADWAY AND WATERWAY</b>			
1. Work with the Wisconsin Department of Natural Resources to develop a database of hazardous materials being transported through Door County.	Medium	On-going	EMS Highway
2. Ensure that any business which uses, stores, or manufactures hazardous material is in compliance with the Occupational Safety and Health Administration regulations detailed in 29 CFR 1910.120 (hazardous waste operations and emergency response).	Medium	On-going	EMS LEPC
3. Continue diligent the Emergency Planning and Community Right-to-Know Act program.	Medium	On-going	EMS LEPC
4. Continue to exercise with regional HAZMAT teams.	Medium	On-going	EMS Highway
5. Continue to coordinate and collaborate with private utility companies.	Low	As-Needed	EMS

DOOR COUNTY HAZARD MITIGATION PLAN

Mitigation Strategy	Priority	Project Time Frame	Lead and Participating Agencies
6. Promote state enforcement of federal requirements for transporting hazardous materials.	High	On-going	EMS
<b>LOSS OF ELECTRICAL, FUEL, AND SEWER SYSTEMS</b>			
1. Develop and coordinate county and regional exercises with utility companies.	Medium	On-going	EMS
2. Research and inventory Energy Assistance Programs offered by private utility companies.	Medium	On-going	Human Services/Contracted Agency
3. Inventory backup power generation capabilities.	High	On-going	EMS
<b>TRANSPORTATION – ROADWAY ACCIDENTS</b> (from the Door County Comprehensive and Farmland Preservation Plan 2035)			
1. Require, when appropriate, safe and convenient pedestrian, bike, and walking paths, sidewalks, and crosswalks, particularly within dense or community core areas, that connect to residential and commercial areas.	Medium (City – Medium)	On-going	Planning Local municipalities
2. Address safety and efficiency issues by identifying dangerous intersections, providing adequate traffic controls, assessing lines-of-sight, providing appropriate access points, maintaining a minimum Level of Service (LOS) on all highways and roads, and other appropriate safety/efficiency methods.	High (City – High)	On-going	Planning Highway Local municipalities
<b>STRUCTURAL FIRE</b>			
1. Assess building codes and standards that apply to fire protective strategies.	Medium	On-going	Local fire departments
2. Establish/support community watch programs.	Medium	On-going	Local fire departments
3. Assess availability to high capacity wells for use in recharging response equipment during fires.	Medium	On-going	Local fire departments
4. Participate with the County Fire Chiefs Association.	Medium	On-going	Local fire departments
5. Inventory the details of existing Mutual Aid Agreements.	Medium	On-going	Local fire departments

EXECUTIVE SUMMARY

TITLE: Tent Inspection Fee

BACKGROUND: During the 2016 budget process it was the consensus of the Committee of the Whole that staff reviews the city fee schedule. Within the Fire Department, fees were brought to finance and council with the entire city fee package. In the Fire Department fees schedule there was a typo in tent sizes.

The fee read and was approved 05/17/2016 is as follows:

	<u>Current</u>	<u>Proposed</u>
<b>Tent Permit</b>	<b>\$0.00</b>	<b>tents over 400sqft w/2 sides &amp; all &gt;400sqft \$30 for up to 2 tents/\$15 per tent over 2</b>

The typo was in the >400 sqft, it should read as follows:

	<u>Current</u>	<u>Proposed</u>
<b>Tent Permit</b>	<b>\$0.00</b>	<b>tents over 400sqft w/2 sides &amp; all &gt;700sqft \$30 for up to 2 tents/\$15 per tent over 2</b>

The increase in size from 400 to 700 sqft will benefit the end user and not affect the projected city revenue.

FISCAL IMPACT: Tent Permit revenue \$500

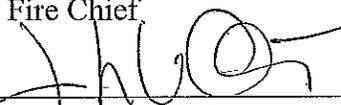
OPTIONS: Accept or reject the revised footage for tent permit

RECOMMENDATION: Recommended to approve the aforementioned fee with the corrected sizing, and to forward to the Common Council for approval.

PREPARED BY:  \_\_\_\_\_

Tim Dietman  
Fire Chief

05/25/2016  
Date

APPROVED BY:  \_\_\_\_\_

Joshua VanLieshout  
City Administrator

5/25/2016  
Date

RESOLUTION

WHEREAS, the Common Council of the City of Sturgeon Bay has determined that it is in the best interests of the City of Sturgeon Bay to add a Tent Inspection Fee.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City of Sturgeon Bay hereby adopts the following fees:

<u>Type</u>	<u>Fee</u>
Tent Inspection Fee	tents over 400sq. ft. w/2 sides & all >700 sq. ft \$30.00 for up to 2 tents/ \$15.00 per tent over 2

\* \* \* \* \*

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

Moved by Alderperson \_\_\_\_\_, seconded by Alderperson \_\_\_\_\_, that said resolution be adopted.

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**Executive Summary**

**Title:** Consideration of: Approval of 2016 Aquatic Vegetation Spraying.

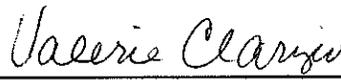
**Background:** During the 2016 budget process \$15,000.00 was allocated for spraying aquatic vegetation in marinas and boat launches within Sturgeon Bay. As per our Purchasing Policy the Municipal Services Department prepared an RFP for this service and sent out to perspective companies. Only one company returned a bid, Wisconsin Lake and Pond Resources, for consideration. The price to perform this task is \$298.62 per acre or \$13,873.89 total contract.

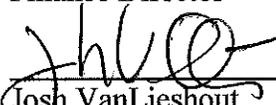
This program is for nuisance relief of aquatic vegetation in marinas and boat launches in the Sturgeon Bay area. We are permitted to spray 45 acres in these areas, but after inspection last year only 15 acres were sprayed and it is anticipated that we will spray less than 45 acres again this year.

**Fiscal Impacts:** Unable to determine until after site inspection.

**Recommendation:** Staff recommends awarding aquatic vegetation spray contract to Wisconsin Lake and Pond Resources in an amount not to exceed \$13,873.89

**Prepared By:**  **Date:** 6/16/16  
Bob Bordeau  
Municipal Services Director

**Reviewed By:**  **Date:** 6/16/16  
Valerie Clarizio  
Finance Director

**Reviewed By:**  **Date:** 6/17/16  
Josh VanLieshout  
City Administrator

## CONTRACT

THIS CONTRACT made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, hereinafter called the "Contractor", and City of Sturgeon Bay, hereinafter called the "Owner".

WITNESSETH, that the Contractor and the Owner for the Consideration stated herein agree as follows:

**ARTICLE I, SCOPE OF WORK:** The Contractor shall perform everything required to be performed and shall provide and furnish all of the labor, materials, necessary tools, expendable equipment, and all utility and transportation services required to perform and complete in a workmanlike manner all of the work required for the application of chemical herbicides for the control of aquatic weeds in selected areas in the Bay of Sturgeon Bay. All to be accomplished in accordance with the Contract documents, including any and all addenda, prepared under the direction of the Purchasing Agent of said City of Sturgeon Bay, and in strict compliance with the Contractor's proposal and the other contract documents herein mentioned which are a part of this contract. The Contractor shall do everything required by this contract and other documents constituting any part hereof.

**ARTICLE II, THE CONTRACT PRICE:** The Owner shall pay to the Contractor for the performance of this contract, subject to any additions or deductions provided herein, in current funds, the contract price computed as follows:

Payments are to be made to the Contractor in accordance with, and subject to the provisions embodied in the documents made a part of this contract.

The actual sum to be paid, however, will be the aggregate total determined by the work actually performed by the Contractor calculated upon the unit prices set out in the Proposal and which are hereto attached and made a part thereof.

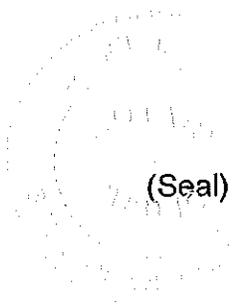
**ARTICLE III, COMPONENT PARTS OF THIS CONTRACT:** This contract consists of the following component parts, all of which are as fully a part of this contract as if herein set out verbatim or, if not attached, as if hereto attached:

- A. Advertisement for bids
- B. Instructions to bidders
- C. Contractor Proposal
- D. General Conditions
- E. Contract
- F. Special Provision

In the event that any provision in any of the above component parts of this contract conflicts with a provision in any other of the component parts, the provision component part first

enumerated above shall govern over any other component part which follows in numerically, except as may be otherwise specifically stated.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in two (2) original counterparts the day and year first above written.



(Seal)

Wisconsin Lake & Pond Resource LLC  
(Name of Contractor)

By: [Signature]

Owner  
(Title)

Attest:  
Harold J Barnes  
Notary Public  
(Title)

\_\_\_\_\_  
(Title)

\*\*\*\*\*

CITY OF STURGEON BAY

BY: \_\_\_\_\_  
Mayor

Attest:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Josh VanLieshout, City Administrator

\*\*\*\*\*

Approved as to form \_\_\_\_\_  
City Attorney Date

\*\*\*\*\*

Provision has been made to pay the liability that will accrue under this contract.

\_\_\_\_\_  
Josh VanLieshout, City Administrator Date



**Wisconsin**  
**Lake & Pond Resource LLC**  
"Providing Professional Resources for Management of Your Lake or Pond"

Professional Pond Management Products and Services  
Aquatic Herbicide and Algacide Applications  
Lake Management Planning and Services  
Pond Design and Development

April 5, 2016

City Clerk  
City of Sturgeon Bay  
412 Michigan Ave  
Sturgeon Bay, WI 54235

Re: Costs for 2016 Aquatic Herbicide Treatment, City of Sturgeon Bay

Dear Mr. Bordeau:

In response to your request for costs Wisconsin Lake and Pond Resource, LLC (WLPR), has prepared a cost estimate for chemical treatment of nuisance aquatic plants. Our Staff includes Stantec's former lake management team of Mark Kordus and James Scharl. Stantec has decided (as of February 11, 2016) to discontinue lake management herbicide application services, as you may or may not be aware. In turn WLPR is purchasing boats, equipment and inventory, including bringing their well respected professional lake management team of the last 8 years onboard. Your working relationship with Mark Kordus and Jim Scharl will remain unchanged from a client or joint cooperative consulting relationship. If you have questions or concerns regarding any of these transitional matters please feel free to contact myself Mark Kordus, directly at 715-781-9976 or [Mark@WisconsinLPR.com](mailto:Mark@WisconsinLPR.com)

This scope of services briefly describes the proposed workplan, anticipated project schedule and estimated project costs. All work would be completed in accordance with applicable federal, state, and local regulations, as outlined below.

### **Work Scope**

These costs include labor, equipment, chemical costs, and direct costs to complete the described workplan in response to the RFP. If more than one mobilization is required because DNR does not allow the treatment or it is outside of the allowable label parameters because of weather or other environmental factors, multiple mobilization charges may apply. Chemical and equipment costs are based on the referenced products, application rates and acreages, which are subject to change based on the final DNR approved treatment areas and application rates;

#### **TASK 1.0 ASSIST CITY WITH WDNR LARGE SCALE & NPDES PERMIT APPLICATION**

WLPR staff will assist the City in applying for the required WDNR chemical treatment permits, but it is assumed the City will serve as the applicant, although WLPR does have statewide permit coverage for NPDES in the State of Wisconsin for all of our projects. The WDNR permit must be received by the City and provided to WLPR prior to treatment.

#### **TASK 2.0 CHEMICAL TREATMENT TARGETING NUISANCE AQUATIC PLANT GROWTH**

WLPR will treat the aquatic plant management areas consistent with the permitted application areas. To ensure that maximum aquatic plant control is achieved, a broad spectrum herbicide and algacide with sufficient surfactant will be applied in early June, based on water temperatures, aquatic plant growth and to minimize nuisance aquatic plant growth during periods of optimal recreational use. The location and area of all treatment areas will be documented with global position system (GPS) technology. The selected herbicides, Tribune® (diquat a.i.) applied at the maximum label rate of 2 gal/acre and Captain® or



# Wisconsin

## Lake & Pond Resource LLC

“Providing Professional Resources for Management of Your Lake or Pond”

Professional Pond Management Products and Services  
Aquatic Herbicide and Algacide Applications  
Lake Management Planning and Services  
Pond Design and Development

Cutrine (copper algaecide) applied at 3 gal/acre, all approved by the EPA, DATCP, and the WDNR for use in Wisconsin to remove populations of nuisance aquatic plant growth.

### **TASK 3.0 SECOND APPLICATION OF CHEMICAL TREATMENT TARGETING NUISANCE AQUATIC PLANT GROWTH**

WLPR will complete a follow-up visit to document treatment success. At that time a follow-up treatment may occur in permitted areas, if needed. The effect of the treatment will be determined by examining the relative abundance and distribution of plant species before and after treatment. The distribution and abundance of aquatic plants will be estimated by species frequency using visual observations; it is assumed that City staff will accompany WLPR in determining treatment effectiveness. It is also assumed for the purposes of this proposal that this visit will take place within 30 days after the initial application.

If at least 75% control is not achieved and retreatment is needed in previously treated areas provided by the City in writing within 30 days of the original treatment that retreatment is needed in previously treated areas, up to 10% of the total cumulative treatment acreage (based on a 46 acre treatment we would retreat up to 4.6 acres) this will occur at NO CHARGE, areas beyond the 10% would be charged at the agreed upon rate per acre outlined in this proposal. If an additional treatment is needed in areas beyond the 30 day time period after the original treatment, in previously untreated areas, because of a change in the scope of work, or areas that were inaccessible during the initial treatment, these would be considered billable items under this task, at the same rate as the initial treatment.

### **TASK 4.0 COMPLETE WDNR AQUATIC PLANT MANAGEMENT TREATMENT RECORD FORM 3200-111**

The WDNR required treatment record (form 3200-111) documenting the total area treated and chemical(s) used on the project would be completed and submitted to the WDNR and the Water Resource Management Specialist for the County, if any.

### **SCHEDULE**

Work can begin on this project once a signed contract is received. All field work will be coordinated with the City and the WDNR, the treatment is anticipated to take place in mid June. WLPR will work with the City to ensure the treatment is completed and effective prior to significant use times such as the 4th of July weekend.

### **ESTIMATED COST**

The project will be completed assuming a proposed 46.46 acre aquatic treatment. If less than 45 acres is actually treated, then a per acre labor surcharge may be applied. Probable costs for completion of the described workplan utilizing the herbicides, Tribune® (diquat) applied at the maximum label rates 2 gal/acre and Captain® or Cutrine (copper based algaecide) applied at 3 gal/acre for aquatic plants:

<b>Task 1.0</b> Assist with WDNR Permit Application^	\$ N/C
<b>Task 2.0</b> Chemical Treatment of Nuisance Aquatic Plant Growth * 46.46 acres	\$298.62/Acre
<b>Task 3.0</b> Second Application Chemical Treatment and Post Treatment Site Visit*	\$ N/C
<b>Task 4.0</b> Prepare & Submit WDNR Treatment Report	\$ N/C

**Total Estimated Cost** **\$13,873.89**

*^Does not include any WDNR permit fees. \*Please review the Task 3.0 description on how this item will be billed, if needed.*



# Wisconsin

## Lake & Pond Resource LLC

"Providing Professional Resources for Management of Your Lake or Pond"

Professional Pond Management Products and Services  
Aquatic Herbicide and Algaecide Applications  
Lake Management Planning and Services  
Pond Design and Development

WLPR offers our clients a complete package of insurance including statutory liability, comprehensive general liability, automobile liability, errors and omissions and pollution liability. A copy of which is available upon request, or execution of this contract. A copy of regulatory and/or lake client references is available upon request.

### **PAYMENT TERMS & CONDITIONS**

Payment for services and expenses are due upon receipt, and will accrue interest after 30 days. Final reports will be withheld until all payments are made in full. Invoices for the services performed will be submitted either upon completion of such services or on a monthly basis. Refer to the attached Agreement for additional terms and conditions.

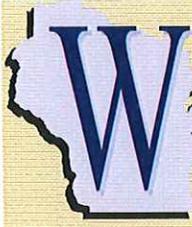
We are pleased to submit this proposal and trust this information meets your needs. The above-stated fee proposed for this scope of services is valid for 90 days from the date of this proposal and are subject to annual adjustments. Upon review and acceptance of the proposal and attached Standard terms and Conditions, please return a signed copy of this Agreement in its entirety via mail, fax or email, keeping one copy for your records.

If you have any questions, or require any additional information, please don't hesitate to contact me directly at (715) 781-9976 or [mark@wisconsinlpr.com](mailto:mark@wisconsinlpr.com). We thank you for this opportunity and look forward to working with you on this project.

Sincerely,

Mark Kordus  
Senior Biologist – Lake Services Manager

Cory Zickert  
Senior Aquatic Manager/President



# Wisconsin

## Lake & Pond Resource LLC

"Providing Professional Resources for Management of Your Lake or Pond"

Professional Pond Management Products and Services  
Aquatic Herbicide and Algaecide Applications  
Lake Management Planning and Services  
Pond Design and Development

### Terms and Conditions

The following Terms and Conditions are attached to and form part of a proposal for services to be performed by Wisconsin Lake & Pond Resource, LLC (herein after referred to as WLPR) when the Customer authorizes WLPR to proceed with the services, constitute the AGREEMENT.

**SERVICE, EQUIPMENT & MATERIAL COSTS: *SEE ATTACHED PROPOSAL FOR A BREAKDOWN OF SPECIFIC COSTS***

Travel, mileage or lump sum mobilization charge per each service date if applicable, will be based on the site location as outlined in the proposal. Additional services that are specifically requested by the Customer, and that are not covered in this contract, will be billed at a flat rate of \$75 - \$100/hour/employee or quoted per project.

**BILLING AND TERMS:** Balance of payment will be due upon receipt of invoice. A late payment fee of \$15, plus financing charges of 1.5% per month, will be applied to balances more than 30 days past due.

**PERMITS:** It is understood by both parties that state, federal, and/or local permits may be required prior to performing aquatic management, installation or construction services. WLPR will provide assistance in completing the permit(s) as outlined in the proposal and provide permit applications to the Customer, the Customer hereby agrees and is responsible to sign and submit said permit(s) with the appropriate fees to each required governmental entity prior to commencement of aquatic management services performed by WLPR. The Customer understands and agrees there may be certain liabilities and responsibilities within these permits.

**PROFESSIONAL EXPECTATIONS AND LIABILITY:** WLPR shall provide professional trained, insured and licensed staff to perform aquatic management, installation or construction services. WLPR staff shall exercise reasonable standard of care and will comply with the labeled requirements of all E.P.A. registered aquatic pesticides pertaining to transportation, application and disposal, and will also post required warning signs that list any water use restrictions indicated on the label. Therefore, WLPR is not liable for personal, environmental or property damages that may occur as a result of applications of aquatic pesticides.

**LIABILITY:** The Customer releases WLPR from any liability and agrees to defend, indemnify and hold WLPR harmless from any claims, damages, losses, and/or expenses; direct or indirect that arise out of the performance of said services, excepting liability arising from the sole negligence of WLPR or its employees, shall be responsible and liable for its staff while performing agreed upon services which are the subject of this agreement. It is further agreed that the total amount of all claims that the Customer may have against WLPR under this agreement; shall be limited to the lesser of fees paid to WLPR for services or \$50,000. No claim shall be brought against WLPR more than 2 years after the cause of action arose.

**BUDGET:** A budgetary range has been established based on multiple criteria. While the recommended budget is required to successfully manage the described waters, WLPR reserves the right to request adjust the budget amount if there is a change in the scope, size of the management areas, product or application rates. If this results in additional costs to the Customer, this request, with the change in scope will be in submitted in writing and shall be approved by the Customer.

**ENVIRONMENTAL LOSS:** While WLPR staff shall make every effort to reduce the risk of loss of non-target aquatic life, including fish, this risk remains inherent with any aquatic management, installation or construction



# Wisconsin

## Lake & Pond Resource LLC

"Providing Professional Resources for Management of Your Lake or Pond"

Professional Pond Management Products and Services  
Aquatic Herbicide and Algaecide Applications  
Lake Management Planning and Services  
Pond Design and Development

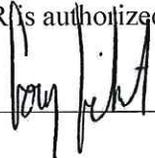
services. Therefore WLPR is not liable for any non-target loss, the Customer understands and accepts the risks associated with potential aquatic management activities.

**SITE ACCESS:** Customer agrees to provide a suitable vehicle access and boat launch to Customer's waters, if there is a fee to launch the Customer agrees to waive (if possible) or alternatively reimburse said launch fees, as part of the project costs billed to the Customer. In the absence of suitable access and launch, WLPR shall not be liable for damages done to lawns, shorelines or other property that may occur during access to the waterway.

**TERMINATION:** Either party may termination this agreement without cause upon 30 days written notice. Upon termination by either party, the Customer shall pay all outstanding fees for services render under this agreement to the effective date of termination.

**WARRANTY:** Aquatic Applications - given the numerous environmental variables associated with aquatic applications, no product performance guaranty or warranty, other than those provided by the manufacturer, are given or implied. Motors, electrical equipment, and components – warranties vary on these items due to different manufacturers. Please inquire with WLPR regarding specific warranties.

**CUSTOMER AUTHORIZATION:** The attached Proposal and above Terms and Conditions are satisfactory and are hereby accepted. WLPR is authorized to perform the work as described.

WLPR Representative:  Date: 4/4/16

Customer: \_\_\_\_\_ Date: \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_

Customer Contact Name (Printed): \_\_\_\_\_

Email: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Customer Billing Address: \_\_\_\_\_

**INVITATION TO BID  
OFFICIAL NOTICE**

Notice is hereby given that sealed bids will be received at the office of the City Clerk of the City of Sturgeon Bay, 421 Michigan Street, Sturgeon Bay, Wisconsin 54235, until 3:00 p.m. on Friday, April 15, 2016, and will publicly be opened at that location and time for:

Application of Chemical Herbicides for the Control of Aquatic Weeds  
in selected areas in the Bay of Sturgeon Bay

**Sealed bid proposal envelopes must be marked: "sealed bid for Application of Chemical Herbicides for the Control of Aquatic Weeds."**

Bid proposal specifications and other documents may be obtained at the Park and Recreation office, 835 N. 14<sup>th</sup> Avenue, Sturgeon Bay, WI 54235.

The City of Sturgeon Bay reserves the right to reject any or all bid proposals or accept the bid proposal most advantageous to the City.

All bidders shall show proof of responsibility in accordance with Section 66.29 (2) Wisconsin Statutes. Proof of Responsibility shall show sufficient financial ability, equipment and experience to properly perform the contract.

Robert W. Bordeau  
Municipal Services Director

## INSTRUCTIONS TO BIDDERS

1. DESCRIPTION OF WORK: The work included in this contract is for the initial application of chemical herbicides and the secondary applications required if the initial application did not control the aquatic weeds present. The contractor will spray the areas noted within and should be aware that vessels may be docked in place at time of application. Therefore, the contractor will have to spray around and under these vessels to ensure proper contact with the vegetation being sprayed. Chemical to be used is Reward, Cutrine, and Surfactant applied as per manufacturers specifications.
2. BIDDER RESPONSIBILITY FOR WORK CONDITIONS AND SITE: Bidders are to inform themselves of the conditions under which the work is to be performed, the site of the work, the structure, the grounds, and any obstacles which may be encountered, and all other relevant matters concerning the work to be performed. The successful bidder will not be allowed any extra compensation or time by reason of any matter or thing about which such bidder might have fully informed himself prior to the bidding.
3. INTERPRETATION OF CONTRACT DOCUMENT OBTAINABLE: If any person contemplating submitting a bid for the proposed contract is in doubt as to the true meaning of any part of the plans, specifications or other proposed contract documents, he may submit a written request for an interpretation thereof. The person submitting the request will be responsible for its prompt delivery. Any interpretation so requested will be made only by a duly issued, written addendum.
4. REQUIREMENTS FOR SIGNING BIDS:
  - a) Bids which are not signed by the individual making same should have attached thereto a power of attorney evidencing authority to sign the bid in the name of the person for whom it is signed.
  - b) Bids which are signed for a partnership should be signed by all the partners or by an attorney-in-fact. If signed by an attorney-in-fact, there should be attached to the bid, a power of attorney evidencing authority to sign the bid, executed by the partners.
  - c) Bids which are signed for a corporation, should have correct corporate name thereof and the signature of the president or other authorized official of the corporation, manually written below the corporate name following the word "By \_\_\_\_\_". If such bid is manually signed by an official other than the president of the corporation, a certified copy of a resolution of the Board of Directors evidencing the authority of such official to sign the bid should be attached to it. Such bid should also bear the attesting signature of the secretary of the corporation and the impression of the corporate seal.
5. WHEN AWARD EFFECTUAL: The contract shall be deemed as having been awarded when formal notice of award shall have been duly served upon the intended awardee (i.e.), the bidder to whom the City contemplates awarding the contract by some officer or agent of the City duly authorized to give such notice.

6. WITHDRAWAL OF BIDS: Any bidder may withdraw his bid at anytime prior to the scheduled time for the opening of bids, but no bid shall be withdrawn without the consent of the City for a period of thirty (30) days after the time of opening or bids is passed.
7. QUALIFICATION OF BIDDERS PRIOR TO CONTRACT LETTING: The owner (City) in contemplating the award of contract may require the following information from prospective bidders:
  - a. The bidder's performance record.
  - b. The address and description of the bidder's plant or permanent place of business.
  - c. An itemized list of all equipment expected to be used on the project with photographs (if possible).
  - d. A description, with references, of projects the bidder has completed in the past five years.
  - e. A complete and current financial statement.
  - f. Certification that the "DNR" has approved your operation for applying chemical herbicides.
  - g. Such additional information as will satisfy the owner (City) that the bidder is adequately prepared to fulfill the contract.
8. FORM OF PROPOSAL AND DETERMINATION OF LOW BID: All proposals shall be made on forms prepared by the City, which are attached hereto, otherwise they may not be considered. All prices shall be stated in words and in figures and in cases of conflict, the written amounts shall govern.
9. CONFLICTS: In the event any provision in a contract document is in conflict or inconsistent with any other paragraph or section, the provision contained in the first listed document in ARTICLE III of the CONTRACT shall govern and the other shall be void to the extent of such conflict or inconsistency unless specifically stated to the contrary.
10. REJECTION OF BIDS: The City reserves the right to reject without explanation, any or all bids and to waive any informalities in bidding. Bids must be prepared according to the instructions contained in the contract documents. No bid shall be prepared with a lead pencil; bids so prepared will be rejected without further consideration. Any/all corrections must be authenticated by the person signing the proposal/contract; such authentication shall consist of the person's handwritten initials.
11. SUBMISSION OF BID: Proposal must be placed in a sealed envelope addressed to the City Clerk, City of Sturgeon Bay, 421 Michigan Street, Sturgeon Bay, WI 54235, and plainly marked "Sealed Bid/Proposal for Application of Chemical Herbicides for Aquatic Weed Control for the Bay of Sturgeon Bay".
12. Chemical applicator will make available to the City: Chemical **Reward and Cutrine**, application rates, and how much chemical used. The City of Sturgeon Bay

reserves the right to send along a City representative during the chemical application.

13. Chemical applicator is responsible for all signage needed, as well as labor to post signs. The City of Sturgeon Bay will sign properties, if requested by applicator, however, will charge labor and materials to chemical applicator.
14. Chemical applicator must keep in contact with City of Sturgeon Bay Municipal Services Director as to when first application will be applied. Visual inspection must be made by chemical applicator before first application to ensure proper timing of first application. This should ensure adequate weed kill.
15. RE-INSPECTION OF SPRAY AREAS: Chemical applicator must do a visual inspection of spray areas to determine if second application is needed. Written report will be made to the Municipal Services Director as to second spray needs. 20% of bid will be withheld until second application process is complete.

## DESCRIPTION OF THE PROPOSED WORK

The work to be done under this contract to include the furnishing of labor, materials, tools and equipment necessary in performing all operations in connection with chemical application of herbicides in various locations of the Bay of Sturgeon Bay. At the time of application, the proper chemical, with a weighting agent to ensure adequate contact with submersed vegetation, will be determined by the consultant approved by a City representative and the DNR. **Chemical to be used is Reward, Cutrine plus surfactant applied as per manufacturers specifications.**

The proposal provided by the consultant will include assistance to the City of Sturgeon Bay in obtaining all applicable permits from the DNR. The consultant will also be required to attend up to a maximum of two (2) public informational meetings or public hearings as required and held by the City of Sturgeon Bay.

The following is a list of the areas to be treated with chemical herbicides. Treatment of these areas is to be late May to mid-June with the final determination to be made by the consultant and reviewed by the City representative and/or the DNR. The areas include acreage and water depths based upon 2002 water levels, the acreage shown is the maximum amount to be treated. The City of Sturgeon Bay reserves the right to withdraw or minimize any or all portions of the areas listed below at any time.

Sawyer Boat Launch	.55	acres	6'-7' Average Depth
Sunset Boat Launch	1.00	acres	4'-5' Average Depth
Stone Harbor Marina	1.30	acres	7' Average Depth
Door County Maritime Museum	.51	acres	6' Average Depth
Quarterdeck Marina	11.78	acres	5' Average Depth
Purves Lagoon #1	3.16	acres	5' Average Depth
Asher's Lagoon	.45	acres	5' Average Depth
Strawberry Creek	3.20	acres	10' Average Depth
Madelyn Marina	1.00	acres	5'-6' Average Depth
Snug Harbor Marina	.91	acres	4' Average Depth
Harbor Club/Skipper Buds	7.08	acres	9' Average Depth
Center Pointe Marina	3.31	acres	9' Average Depth
Center Pointe Marine Services	1.00	acres	12' Average Depth
Harbor Shores at the Bay	.75	acres	5' Average Depth
Bay Marine-around fuel dock	.20	acres	6' Average Depth
Sturgeon Bay Yacht Club	1.48	acres	6' Average Depth
Sturgeon Bay Marine Center	6.98	acres	6' Average Depth
Purves Lagoon #2	<u>1.80</u>	acres	5' Average Depth
	46.46		
<b>Total Acres:</b>	<b>46.46</b>	<b>acres</b>	

## GENERAL CONDITIONS

The contract documents consist of the Advertisement, Instruction to Bidders, General Conditions, General and Specific Specifications, Proposal and Contract, each of which constitutes an integral part of the contract.

1. **CONTRACTOR'S INSURANCE:** The Contractor shall not commence work under this contract until he has obtained all insurance required under this paragraph and such insurance has been approved by the Owner, nor shall the contractor allow any subcontractor to commence work on his subcontract until all similar insurance required of the subcontractor has been obtained and approved.
  - a. **Compensation Insurance:** The Contractor shall take out and maintain during the life of this contract, Worker's Compensation Insurance for all of his employees at the site of the project and, in case any work is sublet, the contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the contractor. In case any class of employees engaged in hazardous work under this contract at the site of the project is not protected under the Worker's Compensation statute, the contractor shall provide and shall cause for each subcontractor to provide adequate insurance coverage for the protection of his employees not otherwise protected.
  - b. **Public Liability and Property Damage Insurance:** The Contractor shall take out and maintain during the life of this contract such Public Liability and Property Damage Insurance as shall protect him and any subcontractor performing work covered by this contract from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from operations under this contract, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them and the amounts of such insurance shall be as follows:

**Bodily Injury:**

\$ 1,000,000	Each Occurrence
\$ 1,000,000	Annual Aggregate, Products & Completed Operations

**Property Damage:**

\$ 500,000	Each Occurrence
\$ 1,000,000	Annual Aggregate

**Personal Injury with Employment Exclusion Deleted:**

\$ 1,000,000	Annual Aggregate
--------------	------------------

- c. **Comprehensive Automobile Liability:**

Bodily Injury:  
\$ 1,000,000      Each Person  
\$ 1,000,000      Each Accident

Property Damage  
\$ 500,000      Each Occurrence

d. Business Auto Insurance  
\$ 1,000,000      Single Limit for Bodily Injury and/or Property Damage

e. Excess Umbrella Liability Insurance:  
\$2,000,000      Limit of Liability

2. PROOF OF COVERAGE OF INSURANCE: The contractor shall furnish the owner with satisfactory proof of coverage of the insurance required. Satisfactory proof shall normally consist of certificate(s) of insurance. The City of Sturgeon Bay shall be named as an additional insured.
3. PAYMENT OF EMPLOYEES: The Contractor and each of his subcontractors shall pay each of his employees engaged in work on the project under his contract in full (less only deductions made mandatory by law) in cash or check and not less than once each week.
4. ACCIDENT PREVENTION: Precaution shall be exercised at all times for the protection of all persons (including employees) and property. All hazardous conditions shall be guarded against or eliminated.
5. PAYMENTS TO CONTRACTOR: Not later than the twentieth (20<sup>th</sup>) day of each calendar month, the Owner will make payment to the contractor on the basis of a duly certified and approved estimate of the work performed under this contract, during the preceding calendar month. To obtain such payment, Contractor must submit authenticated statement/voucher detailing work completed to Owner not later than the third (3<sup>rd</sup>) working day of that calendar month. Statements/Vouchers received after the third (3<sup>rd</sup>) working day will be expeditiously processed, however, payment may be delayed up to thirty (30) days from receipt.
6. TERMINATION FOR BREACH: In the event that any of the provisions of this Contract are violated by the Contractor or his subcontractor(s), the Owner may serve written notice upon the Contractor of its intention to terminate such contract. Such notice shall contain the reasons for such intention to terminate the contract, and unless within five (5) days after serving of such notice upon the Contractor, satisfactory arrangement for correction be made, the contract shall upon the expiration of said five (5) days, cease and terminate.
7. ASSIGNMENT OF CONTRACT: The Contractor shall not assign this contract nor any part hereof, nor any monies due or to become due hereunder, without the written consent of the Owner. No assignment of this contract shall be valid unless it shall

consent of the Owner. No assignment of this contract shall be valid unless it shall contain a provision that the funds to be paid to the Assignee under the assignment are subject to a prior lien for services rendered or materials supplied for the performance of work called for in said contract in favor of all persons, firms, or corporations rendering such services or supplying such materials.

8. SUBCONTRACTING: The Contractor shall not subcontract any work to be performed in the performance of this contract without the consent of the Owner. If the Contractor shall sublet any part of this contract, the Contractor shall be fully responsible to the Owner for the acts and omissions of his subcontractor, as he is for the acts and omissions of persons directly employed by himself.
9. DEFINITIONS: The following terms as used in this contract are respectively defined as follows:
  - a. Contractor: The person, firm, corporation or business entity to whom the within contract is awarded by the Owner and who is subject to the terms thereof.
  - b. Subcontractor: The person, firm, corporation or business entity to whom the within contract is awarded by the Owner and who is subject to the terms thereof.
  - c. Owner or City: This is understood to mean the City of Sturgeon Bay, Wisconsin, represented by the Purchasing Agent (City Administrator).

## SPECIAL PROVISION

### Project Quantities:

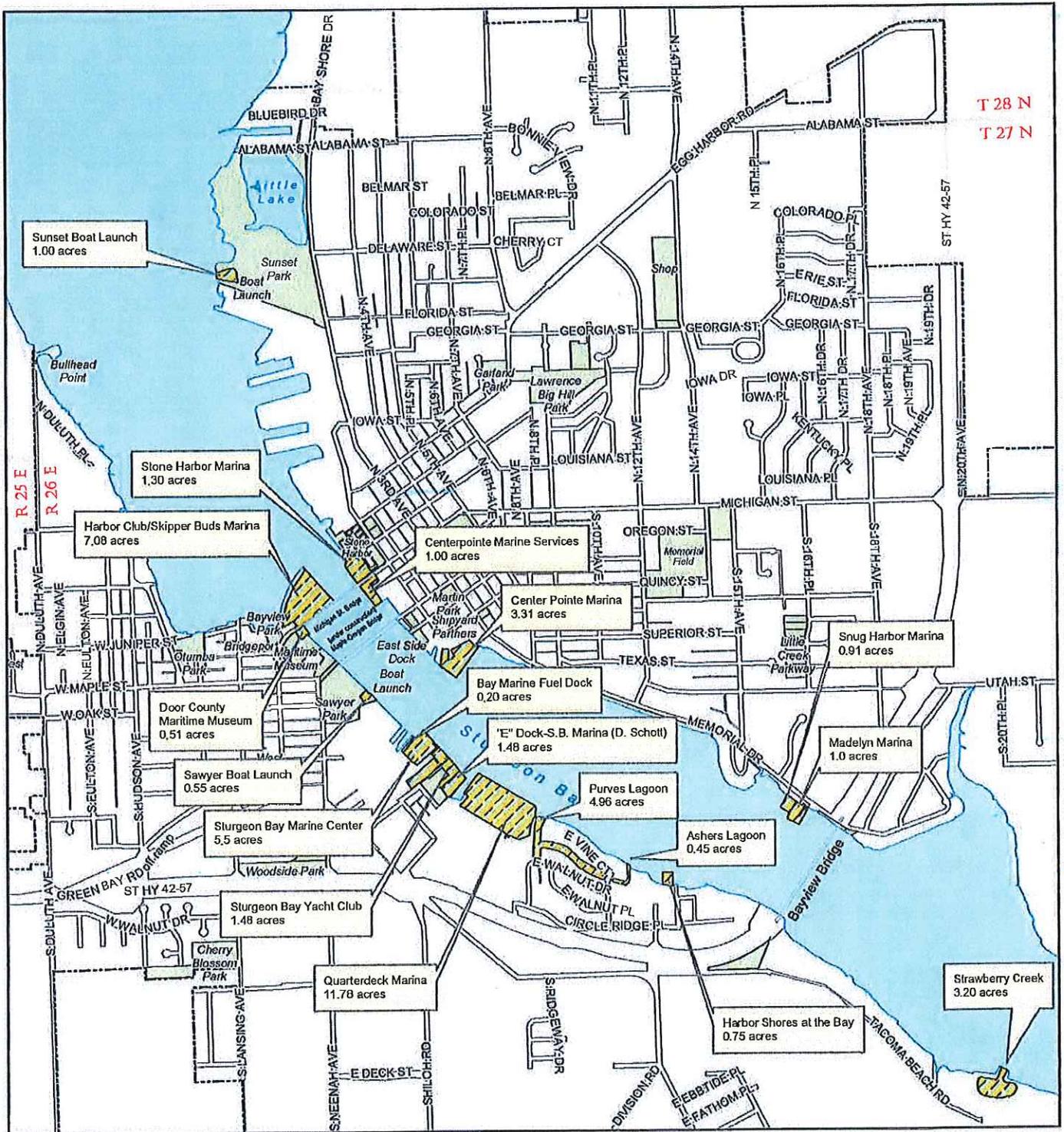
- a) Payment for all work shall be based upon the unit prices within this contract. Final quantities can not be determined until spray areas are approved by the DNR and a permit issued by them to allow this work.
- b) Benefiting property owners will also be able to eliminate area from this contract, after bids are received, but not after contractors are signed.
- c) Spray area (attached)

 Chemical Aquatic Plant Spray Areas



# City of Sturgeon Bay CHEMICAL AQUATIC PLANT SPRAY AREAS

0 1,000 2,000  
Feet



**BID FORM & PROPOSAL FOR CITY OF STURGEON BAY**

**Bids to be received at City Hall, 421 Michigan St., Sturgeon Bay, WI 54235 until Friday, April 15, 2016 at 3:00 p.m., at which time bids will be opened.**

**TO:** City Clerk, City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, WI 54235

The undersigned having familiarized himself with the local conditions affecting the cost of the work, and having read and examined the Advertisement for Bids, Description of Work, Bid Form & Proposal and locations, hereby proposed to do all the work called for in this proposal and to furnish all labor, tools, equipment and materials necessary for the full completion of said work in a workmanlike manner at the sums, rates and unit prices for said work as follows:

<u>AREA</u>	<u>ACREAGE</u>	<u>COST/ACRE</u>	<u>TOTAL</u>
1. SAWYER BOAT LAUNCH First Application	.55	\$ <u>298.62</u>	\$ <u>164.24</u>
Additional Application		\$ <u>see notes</u>	\$ <u>0</u>
2. SUNSET BOAT LAUNCH First Application	1.00	\$ <u>298.62</u>	\$ <u>298.62</u>
Additional Application		\$ <u>see notes</u>	\$ <u>0</u>
3. STONE HARBOR MARINA First Application	1.30	\$ <u>298.62</u>	\$ <u>388.21</u>
Additional Application		\$ <u>see notes</u>	\$ <u>0</u>
4. DOOR COUNTY MARITIME MUSEUM First Application	.51	\$ <u>298.62</u>	\$ <u>152.30</u>
Additional Application		\$ <u>see notes</u>	\$ <u>0</u>
5. QUARTERDECK MARINA First Application	11.78	\$ <u>298.62</u>	\$ <u>3,517.74</u>
Additional Application		\$ <u>see notes</u>	\$ <u>0</u>
6. PURVES LAGOON	4.96	\$ <u>298.62</u>	\$ <u>1,481.16</u>
	14	<u>see notes</u>	<u>0</u>

7. ASHERS LAGOON	.45		
First Application		\$ <u>298.62</u>	\$ <u>134.38</u>
Additional Application		\$ <u>See notes</u>	\$ <u>0</u>
8. STRAWBERRY CREEK	3.20		
First Application		\$ <u>298.62</u>	\$ <u>955.58</u>
Additional Application		\$ <u>See notes</u>	\$ <u>0</u>
9. SNUG HARBOR MARINA	.91		
First Application		\$ <u>298.62</u>	\$ <u>271.74</u>
Additional Application		\$ <u>See notes</u>	\$ <u>0</u>
10. HARBOR CLUB	7.08		
First Application		\$ <u>298.62</u>	\$ <u>2,114.23</u>
Additional Application		\$ <u>See notes</u>	\$ <u>0</u>
11. CENTER POINTE MARINA	3.31		
First Application		\$ <u>298.62</u>	\$ <u>988.43</u>
Additional Application		\$ <u>See notes</u>	\$ <u>0</u>
12. CENTER POINTE MARINE SVCS.	1		
First Application		\$ <u>298.62</u>	\$ <u>298.62</u>
Additional Application		\$ <u>See notes</u>	\$ <u>0</u>
13. MADELYN MARINA	1		
First Application		\$ <u>298.62</u>	\$ <u>298.62</u>
Additional Application		\$ <u>See notes</u>	\$ <u>0</u>
14. HARBOR SHORES AT THE BAY	.75		
First Application		\$ <u>298.62</u>	\$ <u>223.97</u>
Additional Application		\$ <u>See notes</u>	\$ <u>0</u>
15. BAY MARINE (around fuel docks)	.20		
First Application		\$ <u>298.62</u>	\$ <u>59.72</u>
Additional Application		\$ <u>See notes</u>	\$ <u>0</u>
16. STURGEON BAY YACHT CLUB	1.48		
		\$ <u>298.62</u>	\$ <u>441.96</u>
	15	See notes	0

First Application	\$ <u>298.62</u>	\$ <u>441.96</u>
Additional Application	\$ <u>See notes</u>	\$ <u>0</u>
17. STURGEON BAY MARINE CENTER 6.98		
First Application	\$ <u>298.67</u>	\$ <u>2,084.37</u>
Additional Application	\$ <u>See notes</u>	\$ <u>0</u>
	<b>Grand Total:</b>	\$ <u>13,873.89</u>

Written Grand Total: thirteen thousand eight hundred seventy

three and  $\frac{89}{100}$  cents.

Note: See Task 3.0 in proposal for retreatment up to 10% of total treatment area would be retreated if 75% control is not achieved within 30 days after the initial treatment.

**Application of Chemical Herbicides for Aquatic Weed Control  
2016**

Gentlemen:

Enclosed are bid documents which may be of interest to your company.

Please note the scheduled date and time for the public bid opening.

This bid document must be returned intact (the same order as received). Failure to do so may invalidate your proposal.

All bids shall be submitted in an opaque, sealed envelope addressed to the City Clerk, City of Sturgeon Bay, 421 Michigan Street, Sturgeon Bay, WI 54235, prior to the time and date set forth for bid opening as indicated in the Notice to Bidders. Each bid, so addressed, shall bear on the face of the envelope, the name of the bidder, and a statement that it is a **Sealed Bid for Application of Chemical Herbicides for Aquatic Weed Control for the Bay of Sturgeon Bay**, at the date and hour set forth in the Invitation to Bid.

Any questions concerning the bid document or the specification may be directed to the Municipal Services Director at (920) 746-2914.

Oral or written comments received from any other person, other than the appropriate persons, will not be considered, and may invalidate your proposal.

✓ Robert W. Bordeau  
Municipal Services Director

**EXECUTIVE SUMMARY**

**TITLE:** Collateral Assignment of Developer Agreement – Bay Lofts LLC

**BACKGROUND:** The Common Council entered into a developer agreement with the Bay Lofts, LLC for the development of an apartment building with ground floor retail at 49 N. Madison Avenue within Tax Increment Districts #4. Part of the agreement calls for the developer to obtain private financing in the amount of \$850,000 and for a portion of the tax increments from the development to be used pay back the loan. The developers have secured such financing from Park Bank, but the bank needs the developer agreement to be assigned as collateral for the loan.

The Collateral Assignment of Developer Agreement was reviewed by the City Attorney, who found nothing that impairs the City's rights in this project. The assignment gives the developer's bank the ability to step in and take over continuation of the project if the developer should fail, which is a good thing for the City.

**FISCAL IMPACT:** The assignment of the developer agreement creates no impact to the City. All responsibilities of the developer remain in place.

**RECOMMENDATION:** Approve the Collateral Assignment of Developer Agreement.

Prepared by:   
 Martin Olejniczak  
 Community Development Director

6/16/16  
 Date

Reviewed by:   
 Josh Van Lieshout  
 City Administrator

6/17/16  
 Date

## COLLATERAL ASSIGNMENT OF DEVELOPER AGREEMENT

COLLATERAL ASSIGNMENT OF DEVELOPER AGREEMENT ("Assignment") made and entered into as of June \_\_, 2016, by and among City of Sturgeon Bay, Sturgeon Bay, Wisconsin, a Wisconsin municipal corporation ("City"), The Bay Lofts, LLC, a Wisconsin limited liability company ("Developer") and Park Bank, a Wisconsin banking corporation ("Lender").

### RECITALS

A. Lender has agreed to make a loan to Developer in the amount of \$850,000.00 (the "TIF Loan");

B. The TIF Loan is evidenced by an \$850,000.00 Promissory Note of even date (the "Note"), and secured by, among other things, a Mortgage (the "Mortgage") encumbering Developer's interest in the following-described real property (the "Property"):

Lot 1 of Certified Survey Map #1142 recorded in Volume 6, Page 298 as Document No. 794646; and also a tract of land located in Government Lot 3 of Section 7, T27N, R26E, City of Sturgeon Bay, Door County, Wisconsin and described as follows:  
Commencing at the southeast corner of Lot 1 of Certified Survey No. 1142 recorded in Volume 6 of Certified Survey Maps, Page 298, thence N 15°28'54" W along the easterly line of said Lot 1 154.65 feet, thence N 89°57'41" E 41.46 feet, thence S 00°04'15" W 149.06 feet to the point of commencement.

Tax Parcel No. 281-24-15110103A

(The Mortgage and Note will be referred to collectively as the "TIF Loan Documents").

C. Developer intends to construct on the Property a mixed-use development consisting of approximately 35 market-rate residential dwelling units and approximately 2,350 square feet of commercial tenant space to be known as The Bay Lofts (the "Project").

D. Developer and City have entered into a "Development Contract for Bay Lofts Mixed-Use Residential and Commercial Development Project within Sturgeon Bay Waterfront Development District" (the "Developer Agreement").

E. Under the Developer Agreement, City agrees, on the terms and conditions of that agreement, to reimburse to Developer principal and interest payments for an \$850,000 Developer-financed loan to finance certain of Developer's costs in connection with the Project.

F. As a condition of making the TIF Loan, Lender requires this Assignment be executed and delivered by Developer and consented to by the City.

NOW THEREFORE, for valuable consideration and intending to be bound, the parties hereby agree as follows:

1. Assignment. As additional collateral and security for the obligations of Developer to Lender under and in connection with the TIF Loan, Developer hereby assigns to Lender for collateral purposes all of its right, title and interest in, to and under the Developer Agreement. City consents to and acknowledges the foregoing assignment.

2. Rights of Lender. After the occurrence of a default or event of default by Developer under the TIF Loan Documents, and the expiration of any applicable cure period, Lender may, at its sole option, exercise its rights, benefits and privileges under this Assignment and collect the monies due and payable to Developer under the Developer Agreement. However, this Assignment shall not constitute an assumption by Lender of any of the obligations of Developer under the Developer Agreement. Regardless of the foregoing, Developer shall continue to be liable for all obligations of Developer under the Developer Agreement.

3. Rights and Obligations of Developer. Developer may continue to receive and exercise all of the rights, benefits and privileges under the Developer Agreement so long as no default or event of default has occurred under the Note or the other TIF Loan Documents. Developer agrees to immediately apply payments received under the Development Agreement to satisfy Developer's payment obligations under the Note, unless such amounts would be treated as a prepayment under the Note or the other TIF Loan Documents requiring payment of a fee or penalty.

4. Rights and Obligations of the City. Except for the additional promises and obligations under paragraphs H.2. (Consent) and G. (Default), nothing in this Assignment shall be construed to alter the City's rights or obligations under the Developer Agreement.

5. Lender's Right to Cure. After the occurrence of a default or event of default by Developer under the Note or the other TIF Loan Documents, Lender shall have the right and option at any time (but under no circumstances shall be obligated) to take in its name or in the name of Developer or otherwise, such action as Lender may at any time or from time to time reasonably determine to be necessary to cure any default of the Developer under the Developer Agreement.

6. Appointment of Lender as Attorney-in-Fact. Developer hereby irrevocably constitutes and appoints Lender its true and lawful attorneys-in-fact in Developer's name or in Lender's name, or otherwise, from and after the occurrence of a default or event of default under the Note or the other TIF Loan Documents, and the expiration of any applicable cure period, if any, to enforce all rights of Developer under the Developer Agreement, and such power, being coupled with an interest, is irrevocable.

7. Representations, Warranties and Covenants of Developer. Developer represents and warrants that the Developer Agreement is valid and in full force and effect, that it previously has not been assigned or transferred, that no defaults exist thereunder, and no event has occurred which, with notice or lapse of time or both, would constitute a default or give rise to a claim thereunder. Developer agrees to perform its obligations under the Developer Agreement, and to give immediate notice to Lender of any notice of default served upon Developer with respect to

its obligations under the Developer Agreement. Developer represents and warrants that this Assignment does not, nor the exercise by Lender of any of its rights hereunder will not, constitute a default or breach under the terms of the Developer Agreement. Developer also covenants that it shall make no material changes in or amendments to the Developer Agreement, without the prior written consent of Lender and shall not tender or accept a surrender or cancellation of the Developer Agreement without the prior written consent of Lender.

8. Consent and Attornment. City hereby consents to the terms and provisions of this Assignment and agrees to attorn and recognize Lender as the successor in interest to the Developer for all purposes of the Developer Agreement so long as the Lender complies with the applicable terms of the Developer Agreement.

9. Notice/Cure. The City hereby agrees to give Lender copies of any notices of default under the Developer Agreement, including any notices regarding any events which following the passage of time and failure to cure could result in the occurrence of a default under the Developer Agreement. Lender shall have the same cure period that is granted to Developer under the Developer Agreement to cure such default, provided that Lender shall not be obligated to do so. The City agrees to accept any cure of a default under the Developer Agreement which is tendered or performed by Lender as if such cure were tendered or performed by Developer.

10. Miscellaneous Provisions.

a. This Assignment contains the entire agreement between the parties relating to the subject matter hereof and the rights granted herein and shall supersede any provisions contained in any other document with respect thereto.

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

c. If any of the provisions of this Assignment or the application thereof to any persons or circumstances shall, to any extent, be deemed invalid or unenforceable, the remainder of this Assignment and the application of such provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby.

d. This Assignment and any document or instrument executed pursuant hereto may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Any notice to be delivered under this Assignment shall be sufficiently given or delivered if dispatched by registered or certified mail, postage pre-paid or delivered personally to the appropriate party at such party's address set forth above.

e. This Assignment and the agreements and undertakings of the Assignor hereunder shall be binding upon Developer and the City and their respective successors and assigns and shall inure to the benefit of the Lender and its successors and assigns.

f. Upon payment in full of the TIF Loan, this Assignment and the Lender's rights hereunder shall automatically terminate.

**City of Sturgeon Bay, Wisconsin**

By: \_\_\_\_\_  
Thad G. Birmingham, Mayor

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

STATE OF WISCONSIN    )  
  )ss.  
DOOR COUNTY            )

Personally appeared before me this \_\_\_ day of June, 2016, the above-named Thad G. Birmingham and Stephanie L. Reinhardt, the Mayor and City Clerk, respectively, of the City of Sturgeon Bay, Wisconsin, to me known to be the persons who executed the foregoing agreement on behalf of the City and by its authority.

Name: \_\_\_\_\_  
Notary Public, State of Wisconsin  
My Commission expires: \_\_\_\_\_

**The Bay Lofts, LLC**

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

STATE OF WISCONSIN    )  
  )ss.  
\_\_\_\_\_ COUNTY        )

Personally appeared before me this \_\_\_ day of June, 2016, the above-named \_\_\_\_\_, to me known to be the persons who executed the foregoing agreement on behalf of said limited liability company and by its authority.

Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

**Park Bank**

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

STATE OF WISCONSIN    )  
  )ss.  
DANE COUNTY            )

Personally appeared before me this \_\_\_\_ day of June, 2016, the above-named \_\_\_\_\_, to me known to be the person who executed the foregoing agreement on behalf of said corporation and by its authority.

Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

**RECOMMENDATION**

**TO THE HONORABLE MAYOR AND COMMON COUNCIL:**

We, the Finance/Purchasing & Building Committee, hereby recommend to accept the quote from Paul Conway Shields in the amount of \$202,394.00, less the grant in the amount of \$10,798.00, to purchase 40 SCBA units and associated equipment in an amount not to exceed \$191,596.00, and to waive the City’s purchasing policy bidding requirements. Further, authorize the issuance of debt for the purchase of the SCBA units and associated equipment.

Respectfully submitted,

FINANCE/PURCHASING & BUILDING  
COMMITTEE

By: Stewart Fett, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: May 17, 2016.

\*\*\*\*\*

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

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

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

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

## EXECUTIVE SUMMARY

**TITLE:** Replacement of SCBA (self-contained breathing apparatus)

**BACKGROUND:** Sturgeon Bay Fire Department currently has 34 SBCA (Self Contained Breathing Apparatus) and 6 SCBA Hip Air that are used in fire and rescue situations. The current SCBA are slowly getting to their end of life/replacement. SCBA have a 15 year life, at that time they are no longer able to be used. Under NFPA (National Fire Protection Agency) our current SCBA have a low air alarm at 25% of the total capacity of air in the bottle. This means on our current 2216psi bottle, at 25% the low alarm sounds telling the firefighter he/she needs to exit.

The new NFPA standard has that same alarm set at 33% of the total capacity of air in the bottle, so with purchasing a 2216 today we would only be able to get 8-11 minutes of working air, this greatly reduces our effective working time. Any new purchase will be in the new NFPA standard, and we will be change to a 45 minute 4500psi bottle. This will give the firefighter at best 15 minutes to enter, 15 minutes to work and 15 minutes to exit.

We have been testing 3 different brands of SBCA; we have had them in house and talked with many other departments that currently use all 3 of the brands. We have been presented a onetime offer from Interspiro SCBA at a very appealing price, after talking with the other 2 manufactures neither of them are able to come close enough to consider. If we were to completely replace our entire stock we could sell some of our current SCBA that still have some life left in them and offset the upfront cost. If we were to replace the SCBA as they come to their life's end we would not be able to sell any of the air packs replaced during that year. This change in standard will give us 2 different standards and brands of SCBA, we would have to Fit Test on both brands annually. This will also become an issue with inter mixing them on trucks and with filling as neither will be interchangeable

### QUOTE:

Paul Conway Shields:	\$202,394.00
Grant	<u>(\$10,798.00)</u>

**TOTAL COST:** \$191,596.00

FISCAL IMPACT:

\$14,000.00 was included in the Fire Department's 2016 Capital Budget for replacement of SCBA. The \$14,000.00 was slated to be financed by issuing debt. Purchasing all the units now will increase the annual debt payment by approximately \$32,875.00.

Doing a onetime full replacement at this time with the special pricing from Paul Conway Shields, as opposed to replacing the units over the next five years, will save the city approximately \$90,000.00.

RECOMMENDATION:

Accept the quote from Paul Conway Shields in the amount of \$202,394.00, less the grant in the amount of \$10,798.00, to purchase 40 SCBA units and associated equipment in an amount not to exceed \$191,596.00, and to waive the City's Purchasing Policy bidding requirements. Further, authorize the issuance of debt for the purchase of the SCBA units and associated equipment.

PREPARED BY:

  
\_\_\_\_\_  
Tim Dietman  
Fire Chief

05-12-2016  
Date

REVIEWED BY:

  
\_\_\_\_\_  
Valerie Clarizio  
Finance Director/City Treasurer

5/12/16  
Date

APPROVED BY:

  
\_\_\_\_\_  
Josh VanLieshout  
City Administrator

5/12/16  
Date

**RESOLUTION**

**RESOLUTION AUTHORIZING ADJUSTMENTS TO THE 2016 CAPITAL BUDGET**

**WHEREAS**, the 2016 appropriations need to be adjusted for the Capital Fund Budget; and

**WHEREAS**, appropriations in the amount of \$14,000.00 in the 2016 Capital Fund Budget relating to Self-Contained Breathing Apparatus (SCBA) needs to be increased to \$191,596.00 and appropriated to purchase 40 SCBA units and associated equipment.

**NOW, THEREFORE, BE IT RESOLVED**, by the Common Council of the City of Sturgeon Bay; That the budget adjustment as stated above is hereby budgeted and appropriated in 2016, as applicable.

\* \* \* \*

Read by \_\_\_\_\_.

Moved by Alderperson \_\_\_\_\_, and seconded by Alderperson \_\_\_\_\_ that said resolution be adopted.

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

RECOMMENDATION

TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the Community Protection & Services Committee, hereby recommend the Common Council to approve the issuance of the Combination Class B Liquor license to Shipyard Partners, LLC to serve the property at 215 Quincy Street.

Respectfully submitted,  
COMMUNITY PROTECTION & SERVICES COMMITTEE  
By : Richard Wiesner, Chr.

RESOLVED , that the foregoing recommendation be adopted.

Dated: June 9, 2016

\* \* \* \* \*

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

Moved by Alderperson \_\_\_\_\_, seconded by \_\_\_\_\_ that said recommendation be adopted.

Passed by the Common Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**SHIPYARD PARTNERS LLC  
700 SOUTH WATER STREET  
MILWAUKEE, WI 53204**

May 13, 2016

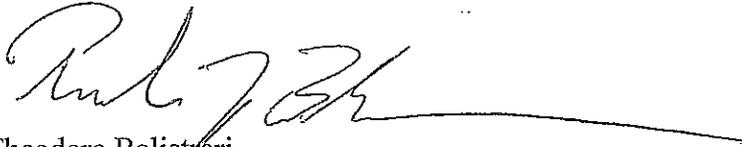
City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, WI 54235

To Whom It May Concern:

Please accept this letter as conformation and documentation that Shipyard Partners LLC, dba CenterPointe Marina, is in compliance with Section 1(e) of Ordinance #1307-1214. We are on track to meet the 180 day liquor sales requirement for the current license year of July 1, 2015 through June 30, 2016.

The attached calendar documents the days on which CenterPointe has recorded liquor sales. We are confident that with the start of the boating season and long awaited warm weather, we will have robust sales to round out the license year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Theodore Balistreri', with a long horizontal line extending to the right.

Theodore Balistreri

# 2016

January						
Su	M	Tu	W	Th	F	Sa
					1	2
					3	4
					5	6
					7	8
					9	10
					11	12
					13	14
					15	16
					17	18
					19	20
					21	22
					23	24
					25	26
					27	28
					29	30
					31	

February						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
		6	7	8	9	10
		11	12	13	14	15
		16	17	18	19	20
		21	22	23	24	25
		26	27	28	29	

March						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
		6	7	8	9	10
		11	12	13	14	15
		16	17	18	19	20
		21	22	23	24	25
		26	27	28	29	30
		31				

April						
Su	M	Tu	W	Th	F	Sa
					1	2
					3	4
					5	6
					7	8
					9	10
					11	12
					13	14
					15	16
					17	18
					19	20
					21	22
					23	24
					25	26
					27	28
					29	30
					31	

May						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
		6	7	8	9	10
		11	12	13	14	15
		16	17	18	19	20
		21	22	23	24	25
		26	27	28	29	30
		31				

June						
Su	M	Tu	W	Th	F	Sa
				1	2	3
				4	5	6
				7	8	9
				10	11	12
				13	14	15
				16	17	18
				19	20	21
				22	23	24
				25	26	27
				28	29	30

July						
Su	M	Tu	W	Th	F	Sa
					1	2
					3	4
					5	6
					7	8
					9	10
					11	12
					13	14
					15	16
					17	18
					19	20
					21	22
					23	24
					25	26
					27	28
					29	30
					31	

August						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
		6	7	8	9	10
		11	12	13	14	15
		16	17	18	19	20
		21	22	23	24	25
		26	27	28	29	30
		31				

September						
Su	M	Tu	W	Th	F	Sa
					1	2
					3	4
					5	6
					7	8
					9	10
					11	12
					13	14
					15	16
					17	18
					19	20
					21	22
					23	24
					25	26
					27	28
					29	30

October						
Su	M	Tu	W	Th	F	Sa
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31

November						
Su	M	Tu	W	Th	F	Sa
					1	2
					3	4
					5	6
					7	8
					9	10
					11	12
					13	14
					15	16
					17	18
					19	20
					21	22
					23	24
					25	26
					27	28
					29	30

December						
Su	M	Tu	W	Th	F	Sa
					1	2
					3	4
					5	6
					7	8
					9	10
					11	12
					13	14
					15	16
					17	18
					19	20
					21	22
					23	24
					25	26
					27	28
					29	30
					31	

# 2015

**January**

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

**February**

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

**March**

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**April**

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

**May**

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

**June**

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

**July**

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

**August**

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

**September**

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

**October**

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

**November**

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

**December**

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

RECOMMENDATION

TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the Community Protection and Services Committee, hereby recommend the Common Council to approve the issuance of the Combination Class B Liquor License to IMBN, Inc. to serve the property at 1009 South Oxford Avenue.

Respectfully submitted,  
COMMUNITY PROTECTION AND SERVICES COMMITTEE  
By: Richard Wiesner, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: June 9, 2016

\* \* \* \* \*

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

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

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

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

# White Birch Inn

---

1009 S. Oxford Ave. • Sturgeon Bay, WI 54235 • 920-743-3295

May 20, 2016

Ms. Stephanie L. Reinhardt  
City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, WI 54235

Dear Stephanie:

This letter is per your request in response to your voice message you left on my cell phone regarding the renewal of the liquor license for the White Birch Inn. You mentioned the copies of the receipts I enclosed were inadequate for the 180 day rule. These were included as documentation for the 90 day test to indicate we did have liquor sales within the 90 day periods of 2015. This is the same type of information that we provided last year and that apparently was adequate last year so I just provided similar information this year.

With regard to the 180 day rule, the inn is open from the beginning of May through mid-November and then for a few groups that come in December, January and February. Due to the over-supply of lodging facilities in Sturgeon Bay, we have closed in recent years for the balance of the winter months. The bar is open during the periods the inn is open which exceeds 220 days per year. However, due to the stricter drinking laws, there are nights that no one purchases alcohol during their stays at the inn. On other nights, people will purchase soda in the bar or come in for coffee, but these obviously are not liquor sales. Our bar is really a dinner bar to support the restaurant and the restaurant has been closed as I have not been able to find anyone I could trust to run the restaurant until this year. This has limited our bar business which has been very frustrating for me. We only track the bar business on a weekly or monthly basis, so in all honesty, I do not have a way to determine if we had liquor sales on 180 days. We have not had need to track the sales on a daily basis so I cannot answer your question with any certainty.

However, I have now hired a local couple – Rick and Abby Hess – to manage the restaurant and bar and our plan is to reopen the restaurant this summer. They have over 40 years of experience and I am excited to have them onboard. We had planned on opening the restaurant for Mother's Day, but I was diagnosed with cancer this past February and just had surgery, so we had to push back the opening date for the restaurant. We now are shooting for July 4<sup>th</sup> weekend, depending on my recovery. This is still confidential and I appreciate your keeping this confidential. Of course, even though this is confidential, we know there are rumors running around about our reopening of the restaurant and we already have people calling for parties, catering, wedding receptions, class reunions, etc. We are excited about the reopening of the restaurant and I am investing considerable sums of money into remodeling, equipment upgrades, an outdoor patio, employees and redecorating. The reopening of the restaurant will greatly increase the sales of liquor and as the plan is for the restaurant to be open all year long, we should easily have liquor sales for more than 300 days per year. When the restaurant was previously open, we employed around 35 full and part-time people and we are looking forward to once again providing employment opportunities to residents of the area.

Ms. Stephanie L. Reinhardt

Page 2

It is imperative for us to have the liquor license renewed as the opening of the restaurant is dependent on it. We have had the liquor license for a long time and this year it becomes more important to us than in any other year I can remember, as I have a lot of faith that Rick and Abby will make the White Birch Inn one of the premier hospitality venues in Door County, as it used to be. Without the liquor license, the restaurant will not survive.

It has only been the past couple of years while the restaurant was closed that we may not have met the second part of the new ordinance. In the other years, as well as for the future, this would not have been an issue and with the reopening of the restaurant will not be an issue in 2016. Therefore, I respectfully request the liquor license be renewed.

Once again, I request you treat the information on the reopening of the restaurant as confidential. Although the rumors are flying around that we will be reopening the restaurant, I appreciate this information not being made public.

Thank you for your time in this matter. If you or the Common Council have any questions or would like to discuss our plans further, please call me at (262) 241-7922.

Thank you.



Scott A. Nyholm

RECOMMENDATION

TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the Community Protection and Services Committee, hereby recommend the Common Council to approve the issuance of the Combination Class B Liquor License to The Olde Opera House, LLC to serve the property at 23 West Oak Street.

Respectfully submitted,  
COMMUNITY PROTECTION AND SERVICES COMMITTEE  
By: Richard Wiesner, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: June 9, 2016

\* \* \* \* \*

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

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

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

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

To whomever it may concern,

In the last year, the property at 23 w oak street known as Benny D's was randomly open and closed. Personally I do not know their hours of operation, or what days they were open. I believe they were open for the majority of the year, but that is speculation. Forclosures measures were started in July 30th of 2015, and filed February 4th 2016. The foreclosure was finished May 10th 2016, and that was the first day I was able to enter the building since the foreclosure.

Currently the property is for sale, which I plan to purchase, and reopen the bar while repairing and maintaining the building. My future plans for the building and business are simply to restore the living space, and open the kitchen once again.

I request that the liquor license be issued to The Olde Opera House LLC, so I may re-establish business operations, and provide a future for my family. I plan to open The Olde Opera House on or before July 1st of 2016. Thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Hall", written in a cursive style.

Michael Hall

RECOMMENDATION

TO THE HONORABLE MAYOR AND COMMON COUNCIL:

We, the Community Protection and Services Committee, hereby recommend the Common Council to deny the issuance of the Combination Class B Liquor License to Sturgeon Bay Jaycees to serve the property at 340 Jaycee Court.

Respectfully submitted,  
COMMUNITY PROTECTION AND SERVICES COMMITTEE  
By: Richard Wiesner, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: June 9, 2016

\* \* \* \* \*

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

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

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

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

Sturgeon Bay Jaycees  
P.O. Box 284  
Sturgeon Bay, WI 54235

May 6, 2015

RE: Sturgeon Bay Jaycees Liquor License

Dear City Counsel;

I have been told that you were requiring some information on how our club uses our Liquor license.

The Jaycees understand that we do not use our license, as much as a bar that has regularly hours.

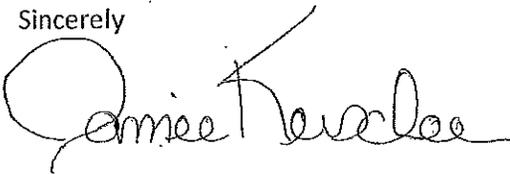
Although it does allow the Jaycees (being the leadership organization that we are) the opportunity to help develop leadership skills between the organizing and operation of our clubhouse, and the liquor license enhances those opportunities.

We do use the liquor license threw out the year during many different venue's. We sponsor and host a Dart Ball team and as the teams travel to all hosting teams home's we do have the bar open to the public during those matches. The Jaycees along with other organizations use the clubhouse for fundraising events during these events we do open the bar and serve those patrons to help enhance the fundraisers, not just for the Jaycees but for other community based clubs as well. We also do serve weddings, funerals and other group gatherings. Having the bar serve available to help make those life events everything they have dreamed of, and to offer them a private affordable place to celebrate. We have also used the clubhouse and our liquor license by helping with benefits for people in need and the Jaycees help out a group hoping to make a difference in someone's life that has been touched by tragedy.

We do feel the liquor license is an asset and has made our club proud by allowing us to touch the people of our community in special way. Along with giving our members, a chance to grow and learn threw running events. We are proud we have it since we bought the building from the Elk's Lodge many years ago and have tried to live up to the goal and dreams they had for it along with creating our own.

The Jaycees request that you renew our Liquor license and allow us to keep our dream and goals we have for the upcoming year and years to keep growing.

Sincerely

A handwritten signature in cursive script that reads "Jamie Kerscher". The signature is written in dark ink and is positioned below the word "Sincerely".

Jamie Kerscher & the Sturgeon Bay Jaycees

**RECOMMENDATION**

**TO THE HONORABLE MAYOR AND COMMON COUNCIL:**

We, the Finance/Purchasing & Building Committee, hereby recommend to accept the Schenck Government & Not-For-Profit Solutions 2015 financial audit report for the City of Sturgeon Bay and place it on file.

Respectfully submitted,

FINANCE/PURCHASING & BUILDING  
COMMITTEE

By: Stewart Fett, Chairperson

RESOLVED, that the foregoing recommendation be adopted.

Dated: June 14, 2016

\*\*\*\*\*

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

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

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

Passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

EXECUTIVE SUMMARY

TITLE: 2015 Audit

BACKGROUND: Schenck Government & Not-For-Profit Solutions has completed the 2015 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 \$17,525.00.

OPTIONS: Accept or reject the Schenck Government & Not-For-Profit Solutions 2015 audit report.

RECOMMENDATION:  
Recommend to the Common Council to accept the Schenck Government & Not-For-Profit Solutions 2015 financial audit report for the City of Sturgeon Bay and place it on file.

PREPARED BY: Valerie J. Clarizio 5/20/16  
Valerie J. Clarizio Date  
Finance Director/City Treasurer

REVIEWED BY: Joshua J. Van Lieshout 6/10/16  
Joshua J. Van Lieshout Date  
City Administrator

**MANAGEMENT COMMUNICATIONS**  
**CITY OF STURGEON BAY, WISCONSIN**  
**DECEMBER 31, 2015**

**CITY OF STURGEON BAY, WISCONSIN**  
December 31, 2015

TABLE OF CONTENTS

	<u>Page No.</u>
COMMUNICATION TO THE CITY COUNCIL	1 - 4
SUMMARY FINANCIAL INFORMATION	
1. City Governmental Fund Balances	5 - 6
Tax Incremental District No. 1	7
Tax Incremental District No. 2	8
Tax Incremental District No. 3	9
Tax Incremental District No. 4	10
2. Sturgeon Bay Utilities	11 - 12
COMMENTS AND OBSERVATIONS	
1. New Accounting Standards	13 - 14
2. Compliance with HIPAA Regulations	14
APPENDIX	
Management Representation Letter	



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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sturgeon Bay, Wisconsin (the "City") for the year ended December 31, 2015. The City's financial statements, including our report thereon dated May 18, 2016, 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 express opinions about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

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. 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2015, 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 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'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 64 - 65 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 material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not 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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 2014-001 Preparation of Annual Financial Report

This finding is described in detail in the schedule of findings and responses on pages 66 of the annual report.

The City's written response to the significant deficiency identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. As described in Note D.7 to the financial statements, the City changed accounting policies related to pension accounting by adopting Statement of Governmental Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, in 2015. We noted no 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:

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.

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.

Management's estimate of the net pension asset and related deferred outflows of resources is based on information received from the Wisconsin Retirement System. We evaluated the key factors and assumptions used to develop the net pension asset and related deferred outflows of resources in determining that they are reasonable in relation to the financial statements taken as a whole.

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.

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

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

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

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. 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 May 18, 2016. 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 auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, 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.

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

*Other Matters*

We applied certain limited procedures to the management's discussion and analysis and the schedules relating to pensions and other post-employment benefits, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

*Restriction on Use*

This information is intended solely for the use of the City Council, and management of the City of Sturgeon Bay 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  
May 18, 2016

## SUMMARY FINANCIAL INFORMATION

### 1. City Governmental Fund Balances

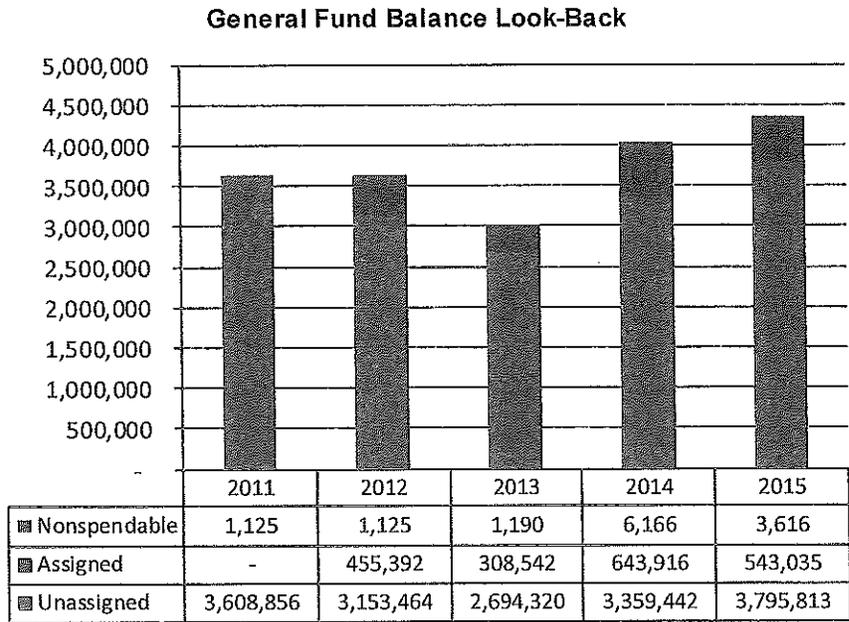
Presented below is a summary of governmental fund balances on December 31, 2015, including a comparison to the prior year. The information is provided for assessing financial results for 2015 and for indicating financial resources available for 2016 and subsequent years.

	12/31/15	12/31/14
General Fund		
Nonspendable		
Inventories and prepaid items	\$ 3,616	\$ 6,116
Assigned for subsequent expenditures	543,035	643,916
Unassigned	3,795,813	3,359,442
Total General Fund	4,342,464	4,009,474
Special Revenue Funds		
Assigned		
Revolving loan	327,232	260,496
Cable TV	345,154	306,066
Total Special Revenue Funds	672,386	566,562
Capital Projects Funds		
Restricted		
Tax Increment Districts		
#1 - Industrial Park	196,331	172,724
#2 - Waterfront District	1,763,316	1,892,225
#3 - Blight Elimination	674,995	614,715
#4 - West Waterfront	1,916,233	(576,224)
Assigned		
Capital Improvements	2,379,824	2,374,442
Total Capital Projects Funds	6,930,699	4,477,882
 Total Governmental Funds	 \$ 11,945,549	 \$ 9,053,918

The following is a calculation of the working capital reserve approved for the general fund at December 31, 2015:

Calendar 2016 operating budget	\$ 10,380,000
Reserve percentage	x .25
RESERVE	\$ 2,595,000

**1. City Governmental Fund Balances (Continued)**



The City budgeted \$543,035 of the 2015 general fund balance to finance expenditures for 2016. In the Capital Improvements fund, the entire balance has been assigned to 2016.

**CITY OF STURGEON BAY, WISCONSIN**  
**TAX INCREMENTAL FINANCING DISTRICT NO. 1 ANNUAL REPORT**  
For the Year Ended December 31, 2015

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	\$ 537,454	\$ 5,849,299
Other	23,608	1,782,181
<b>Total Revenues</b>	<b>561,062</b>	<b>7,631,480</b>
<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>	<b>-</b>	<b>3,712,058</b>
<b>Subtotal Excess Recovered Project Costs</b>		<b>3,919,422</b>
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)		(457,752)
Transfer to Tax Incremental district #2 & #3 (Year 8)		(494,001)
Transfer to Tax Incremental district #2 & #3 (Year 9)		(537,454)
<b>Net Excess Recovered Project Costs</b>		<b>\$ 196,332</b>
<b>Outstanding Long-term Debt at December 31, 2015</b>		<b>\$ -</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. 2 ANNUAL REPORT**  
For the Year Ended December 31, 2015

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	\$ 1,131,350	\$ 19,953,881
Other	79,937	8,804,279
<b>Total Revenues</b>	<u>1,211,287</u>	<u>28,758,160</u>
<b>Expenditures</b>		
Planning and administration	3,835	1,362,524
Capital outlay	135,828	28,372,405
Interest	741,294	18,662,683
Bond refunding costs	-	1,093,810
<b>Total Expenditures</b>	<u>880,957</u>	<u>49,491,422</u>
<b>Subtotal Unreimbursed Project Costs</b>		20,733,262
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)
Transfer from Tax incremental district #1 (Year 8)		(351,995)
Transfer from Tax incremental district #1 (Year 9)		<u>(393,391)</u>
<b>Net Unreimbursed Project Costs</b>		<u>\$ 17,790,562</u>
<b>Outstanding Long-term Debt at December 31, 2015</b>		<u>\$ 19,553,879</u>

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

**CITY OF STURGEON BAY, WISCONSIN**  
**TAX INCREMENTAL FINANCING DISTRICT NO. 3 ANNUAL REPORT**  
For the Year Ended December 31, 2015

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	\$ 17,755	\$ 33,801
Other	76,255	691,844
<b>Total Revenues</b>	<u>94,010</u>	<u>725,645</u>
<b>Expenditures</b>		
Planning and administration	2,392	144,563
Capital outlay	15,150	1,894,953
Interest	60,251	346,523
<b>Total Expenditures</b>	<u>77,793</u>	<u>2,386,039</u>
<b>Subtotal Unreimbursed Project Costs</b>		1,660,394
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)		(131,330)
Transfer from Tax incremental district #1 (Year 8)		(142,006)
Transfer from Tax incremental district #1 (Year 9)		<u>(144,063)</u>
<b>Net Unreimbursed Project Costs</b>		<u>\$ 880,004</u>
<b>Outstanding Long-term Debt at December 31, 2015</b>		<u>\$ 1,555,000</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, 2015

Date Created: January 1, 2013

Date Approved: March 19, 2013

Latest Possible Termination Date: December 31, 2040

Revenues

Tax increments	\$ -	\$ -
Other	4,381	80,131
Total Revenues	<u>4,381</u>	<u>80,131</u>

Expenditures

Planning and administration	527,590	1,076,652
Interest	12,458	12,458
Capital outlay	91,876	194,788
Total Expenditures	<u>631,924</u>	<u>1,283,898</u>

Net Unreimbursed Project Costs \$ 1,203,767

Outstanding Long-term Debt at December 31, 2015 \$ 3,120,000

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

## SUMMARY FINANCIAL INFORMATION

### 2. Sturgeon Bay Utilities

A condensed income statement showing the results of operations for the year ended December 31, 2015, including a comparison to 2014 follows:

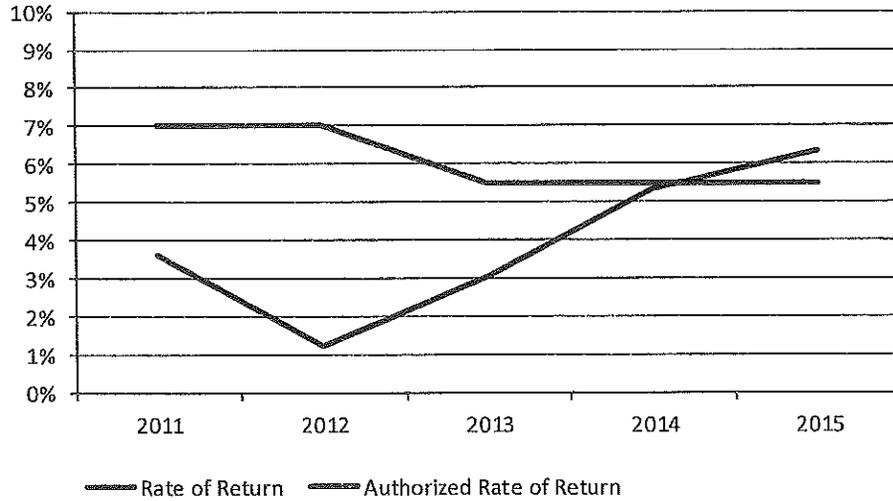
	Water	Electric	Sewer	Total
Operating Revenues				
Charges for services	\$ 2,159,439	\$ 15,809,163	\$ 2,091,655	\$ 20,060,257
Other	52,823	334,535	16,246	403,604
	<u>2,212,262</u>	<u>16,143,698</u>	<u>2,107,901</u>	<u>20,463,861</u>
Operating Expenses				
Operation and maintenance	1,109,224	13,669,666	1,221,875	16,000,765
Depreciation	426,334	1,185,754	310,297	1,922,385
Taxes	5,672	174,042	14,008	193,722
Transfer for tax equivalent	354,483	481,913	-	836,396
	<u>1,895,713</u>	<u>15,511,375</u>	<u>1,546,180</u>	<u>18,953,268</u>
<b>2015 Annual Report Operating Income</b>	<u>\$ 316,549</u>	<u>\$ 632,323</u>	<u>\$ 561,721</u>	<u>\$ 1,510,593</u>
2015 PSC Operating Income	<u>\$ 442,485</u>	<u>\$ 773,561</u>	<u>N/A</u>	
2015 PSC Rate of Return	<u>6.37%</u>	<u>4.47%</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>2014 Annual Report Operating Income</b>	<u>\$ 257,615</u>	<u>\$ 769,579</u>	<u>\$ 530,017</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.

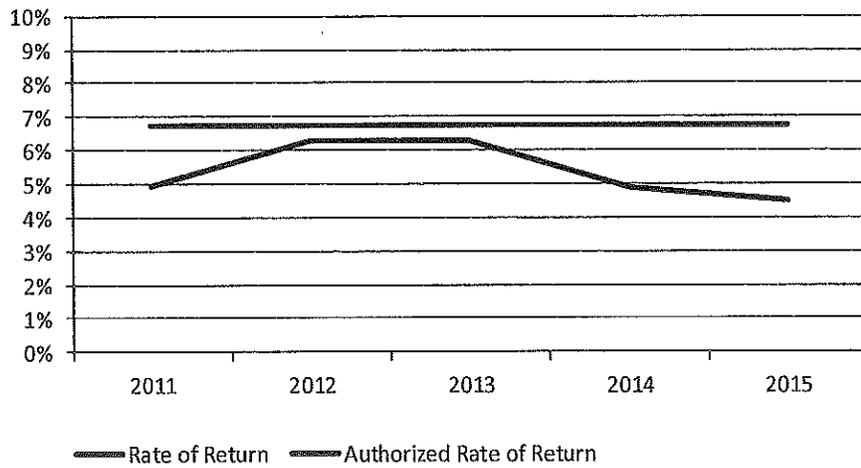
**2. Sturgeon Bay Utilities (Continued)**

***Water rate of return***



The average rate of return for the past five years is 3.92% while the average authorized rate of return is 6.10%.

***Electric rate of return***



The average rate of return for the past five years is 5.38% while the average authorized rate is 6.75%.

## COMMENTS AND OBSERVATIONS

### 1. New Accounting Standards

#### **Fair Value Measurement and Application**

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurement, primarily for investments. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also provides guidance on how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements.

This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. It establishes a hierarchy of inputs to valuation techniques used to measure fair value. That fair value hierarchy has three levels of inputs based on the objectivity and reliability of the information. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs for similar assets or liabilities. Finally, Level 3 inputs are unobservable inputs. GASB Statement No. 72 requires additional footnote disclosures about fair value measurement, the level of fair value hierarchy and valuation techniques used.

The new standard is effective for years beginning after June 15, 2015, although early application is encouraged. We recommend that the City review the new standard, determine its investments that are subject to fair value measurement and value those investments according to the valuation techniques and inputs outlined in the Statement. We are able to assist you in implementing this standard.

#### **Accounting and Reporting for Other Post-employment Benefits**

In June 2015, the Governmental Accounting Standards Board (GASB) issued two new pronouncements relating to other post-employment benefits (OPEB). GASB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions* significantly change the accounting and financial reporting of post-employment benefits that was established in GASB Statement Nos. 43 and 45. The primary purpose of these Statements is to improve accounting and financial reporting of OPEB obligations and enhance transparency of OPEB related information in your financial statements similar to how GASB Statements Nos. 67 and 68 were designed.

Currently, governments report a liability related to other post-employment liabilities for the unfunded portion of the annual required contribution, which includes an amortization of the Unfunded Actuarial Liability (UAL) over an open period of time, not to exceed 30 years. Upon implementing the new standards, the City will recognize the difference between total OPEB liability and any plan assets (net OPEB liability) in the government-wide and proprietary financial statements, often resulting in a significant increase in the OPEB liability reported in your financial statements. The new standards also require that the entry age normal cost method be used to determine the liability, deferred inflows and outflows of resources to be reported for changes in economic and demographic assumptions and differences between expected and actual experience, and additional note disclosures and schedules.

## 1. New Accounting Standards (Continued)

The new standards are effective for financial statements for OPEB plans for fiscal years beginning after June 15, 2016 and for employers for fiscal years beginning after June 15, 2017. We recommend that the City evaluate impact of the new standards with your actuary, and determine an implementation strategy to minimize your costs while ensuring adequate communication of the impact of these changes will have on your financial statements. As you develop your implementation strategy, you should evaluate the following:

- Do you anticipate any changes in benefits? If yes, you should approve benefit changes prior to implementation, as any changes in benefits in the future are treated as a current year activity.
- What is your valuation measurement date? You can roll back to a valuation date 12 months prior to year end, allowing you to complete your actuarial valuation prior to year end or you can roll forward to your reporting date, requiring your actuarial valuation to be completed after year end but before you anticipate issuance of your financial statements.

## 2. Compliance with HIPAA Regulations

Previous Health Insurance Portability and Accountability Act (HIPAA) established national standards and requirements for the privacy and security of an individual's medical records and other personal health information. The Health Information Technology for Economic and Clinical Health Act (HITECH) further creates categories of violations and penalties for failure to comply with HIPAA regulations.

Essentially, all business and government entities are required to comply with HIPAA standards and enforcement rules as set forth in the HITECH Act. These requirements extend to the City employees. The HIPAA security rules address the following three aspects of security:

- **Administrative Safeguards** – assignment of a HIPAA security compliance team.
- **Physical Safeguards** – protection of electronic systems, equipment and data.
- **Technical Safeguards** – authentication and encryption used to control data access.

In addition, entities need to perform a risk analysis and utilize risk management methodologies so exposure areas and possible risks can be reduced. Recently, there have been lawsuits against entities that have not complied with HIPAA regulations. These lawsuits, in some cases, have resulted in large financial awards being assessed against the entity.

In order to determine compliance with HIPAA regulations and minimize risk for future sanctions, we recommend the City complete the following:

- **Compliance Assessments** – Determine where your organization needs to improve at a high level, as well as in, specific areas
- **Assess Employee Training Needed** - Make sure your staff is following HIPAA rules and regulations in their work processes
- **Compliance Implementation**- Align your organization, software and hardware with HIPAA compliant safeguards

Because of the complexity of HIPAA regulations and electronic safeguards, we also recommend that the City consider obtaining knowledgeable technical assistance to assist in the assessments and implementation. Very few organizations have the time and expertise to study and align their organization to conform to HIPAA and HITECH regulations and the various legal interpretations that have become regulations. We are available to assist the City with assessments and an implementation plan for changes and development of adequate safeguards.

## APPENDIX

## CITY of STURGEON BAY



## STURGEON BAY UTILITIES



Joshua J. Van Lieshout, 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)

May 18, 2016

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, 2015, 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 May 18, 2016, 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 12, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP 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 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, including those measured at fair value, 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 U.S. GAAP.
8. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the 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. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
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 City from whom you determined it necessary to obtain audit evidence.

- d. Minutes of the meetings of the City Council 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 no knowledge of 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 have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
  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. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have a process to track the status of audit findings and recommendations.
20. 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.
21. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
22. 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.
23. 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 legal and contractual provisions for reporting specific activities in separate funds.
24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

25. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
26. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
27. 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.
28. As part of your audit, you assisted with preparation of the financial statements and related notes, state financial report. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, state financial report.
29. 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.
30. 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.
31. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
32. 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.
33. The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
34. 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.
35. 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.
36. 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.
37. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Deposits and investment securities are properly classified as to risk and are properly disclosed.
40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
41. Joint ventures, jointly governed organizations, and other related organizations have been properly disclosed in the financial statements.
42. 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 is properly recognized under the policy.
43. We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
44. 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.
45. We acknowledge our responsibility for presenting 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.
46. We agree with the findings of specialists in evaluating the other post-employment benefits and pension 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.
47. 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.
48. 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.
49. 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.

50. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
51. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility.
52. 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.
53. We do not plan to make frequent amendments to our pension or other post-retirement benefit plans.
54. We have not completed the process of evaluating the impact that will result from adopting Governmental Accounting Standards Board (GASB) Statements No. 72, No. 74, *Financial Reporting for Post-employment Benefit Plans other than Pension Plans* and No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as discussed in Note D.8. The City is therefore unable to disclose the impact that adopting these GASB Statements will have on its financial position and the results of its operations when the Statements are adopted.
55. 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 or in the schedule of findings and questioned costs.

Signed:

  
\_\_\_\_\_  
Josh VanLieshout  
City Administrator

Signed:

  
\_\_\_\_\_  
James Stawicki  
SBU General Manager

Signed:

  
\_\_\_\_\_  
Valerie J. Clarizio  
Finance Director/Treasurer

Signed:

  
\_\_\_\_\_  
Laurie Bauldry  
SBU Accountant

**CITY OF STURGEON BAY, WISCONSIN**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2015**

**CITY OF STURGEON BAY, WISCONSIN**  
December 31, 2015

Table of Contents

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 12
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14 - 15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16 - 18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19 - 21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25 - 26
Notes to Basic Financial Statements	27 - 52
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress - Other Post-Employment Benefit Plan	53
Schedule of Employer Contributions - Other Post-Employment Benefit Plan	54
Schedule of Proportionate Share of Net Pension Asset - Wisconsin Retirement System	55
Schedule of Contributions - Wisconsin Retirement System	56
Notes to Required Supplementary Information	57
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	59

**CITY OF STURGEON BAY, WISCONSIN**  
December 31, 2015

Table of Contents

	<u>Page No.</u>
SUPPLEMENTARY INFORMATION (Continued)	
Detailed Comparison of Revenues - Budget and Actual - General Fund	60 - 61
Detailed Comparison of Expenditures - Budget and Actual - General Fund	62 - 63
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 <i>Government Auditing Standards</i>	64 - 65
Schedule of Findings and Responses	66



## 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, 2015, 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 auditors consider 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, 2015, 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.

## ***Emphasis of Matter***

As discussed in Note D.7, the City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68. Our opinions are not modified with respect to this matter.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions and other post-employment benefits on pages 4 through 12 and 53 through 56 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 is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 2014 financial statements, and our report dated April 27, 2015, 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, 2014, 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 May 18, 2016, 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  
May 18, 2016

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

## CITY of STURGEON BAY



## STURGEON BAY UTILITIES



Joshua J. Van Lieshout, 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)

### Management's Discussion and Analysis December 31, 2015

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, 2015.

#### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2015 by \$91,916,817 (*net position*). Of this amount, \$12,305,144 (*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 \$5,435,377. Several factors contributed to the overall increase as follows:
  - The City's Governmental activities' total net position increased by \$1,041,493.
  - The City's Business-type activities' (*Solid Waste Fund*) total net position increased by \$83,970.
  - The City's total net position of Sturgeon Bay Utilities increased by \$1,873,236.
  - The City implemented new standards relating to financial accounting and reporting of pension benefits, resulting in an increase in net position of \$2,436,678.
- The City's general fund increased by \$332,990 primarily due to additional room tax collections, allocation of staff time to other funds, fuel cost savings, timing of debt service payments, and conservative spending in several other expense line items.
- The assessed property tax rate, without TID, increased from \$7.22 to \$7.41 per \$1,000 of property value for the year ended December 31, 2015.
- As of December 31, 2015 the City's governmental funds reported combined ending fund balances of \$11,945,549, an increase of \$2,891,631 in comparison with the prior year. Approximately 32% of this total amount, \$3,795,813 is available for spending at the City's discretion (*unassigned fund balance*).
- As of December 31, 2015, unassigned fund balance for the general fund was \$3,795,813, or approximately 37% of the total general fund expenditures budgeted for 2016.
- The City's total general-obligation debt increased by \$1,424,316 (9%) during 2015. The key factor in this increase was new debt issuance for equipment purchases, the Municipal Services shop building, Egg Harbor Road improvements, and debt issuance for the October 1, 2015 TID #2 debt payments, offset by 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, liabilities and deferred outflows/inflows of resources, with the difference 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, development and debt service. 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 13 - 15 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 two categories: governmental funds and proprietary 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, Tax Incremental District #2 Fund, and Capital Improvements Fund each of which are considered to be major funds. Data from the other five 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 to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 16 - 22 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.

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 23 - 26 of this report.

**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 27 - 52 of this report.

**Other information.** Required supplementary information relating to other post-employment and pension benefits, the combining statements referred to earlier in connection with nonmajor governmental funds and budgetary comparison information for the general fund are presented immediately following the notes to the basic financial statements on pages 53 - 63.

## 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$91,916,817 at the close of 2015.

City of Sturgeon Bay's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 34,362,190	\$ 29,395,804	\$ 11,760,004	\$ 10,548,619	\$ 46,122,194	\$ 39,944,423
Capital assets	53,182,038	51,854,251	43,603,244	43,134,315	96,785,282	94,988,566
Total assets	\$ 87,544,228	\$ 81,250,055	\$ 55,363,248	\$ 53,682,934	\$ 142,907,476	\$ 134,932,989
Deferred outflows of resources	\$ 1,335,175	\$ 397,586	\$ 261,844	\$ -	\$ 1,597,019	\$ 397,586
Long-term liabilities outstanding	28,728,362	25,571,351	305,617	394,518	29,033,979	25,965,869
Other liabilities	13,484,404	12,593,635	2,057,120	2,494,093	15,541,524	15,087,728
Total liabilities	\$ 42,212,766	\$ 38,164,986	\$ 2,362,737	\$ 2,888,611	\$ 44,575,503	\$ 41,053,597
Deferred inflows of resources	\$ 8,012,175	\$ 7,795,538	\$ -	\$ -	\$ 8,012,175	\$ 7,795,538
Net position:						
Invested in capital assets, net of related debt	\$ 27,908,682	\$ 26,944,582	\$ 43,297,627	\$ 42,739,797	\$ 71,206,309	\$ 69,684,379
Restricted	7,369,531	3,545,636	1,035,833	521,355	8,405,364	4,066,991
Unrestricted	3,376,249	5,196,899	8,928,895	7,533,171	12,305,144	12,730,070
Total net position	\$ 38,654,462	\$ 35,687,117	\$ 53,262,355	\$ 50,794,323	\$ 91,916,817	\$ 86,481,440

By far the largest portion of the City's net position (77%) 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.

The City adopted the Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. With the new reporting change, the City is allocated its proportionate share of the Wisconsin Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. The implementation of GASB 68 and 71 resulted in restatements/increases in the City's assets, deferred outflows of resources and net position. For the 2015 audit year, with this change in accounting policies related to pension accounting, the City's cumulative effect of change in accounting principle was an increase of \$1,925,852 in net position for Governmental activities and \$510,826 for Business-Type activities.

An additional portion of the City's net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$12,305,144) may be used to meet the City's ongoing obligations to citizens and creditors.

**Change in net position.** Governmental activities increased the City's net position by \$1,041,493. Key elements of this increase are as follows:

City of Sturgeon Bay's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues						
Charges for services	\$ 1,098,280	\$ 904,007	\$ 20,990,870	\$ 21,027,460	\$ 22,089,150	\$ 21,931,467
Operating grants and contributions	627,305	735,706	-	-	627,305	735,706
Capital grants and contributions	858,144	666,575	188,862	47,551	1,047,006	714,126
General revenues:						
Property taxes	7,810,198	7,541,804	-	-	7,810,198	7,541,804
Other taxes	285,837	267,033	-	-	285,837	267,033
Grants and contributions not restricted to specific programs	966,599	962,984	-	-	966,599	962,984
Other revenues and transfers	1,109,473	1,233,608	(674,954)	(598,219)	434,519	635,389
Total revenues	\$ 12,755,836	\$ 12,311,717	\$ 20,504,778	\$ 20,476,792	\$ 33,260,614	\$ 32,788,509
Expenses:						
General government	\$ 1,751,552	\$ 1,765,708	\$ -	\$ -	\$ 1,751,552	\$ 1,765,708
Public safety	4,254,156	4,153,021	-	-	4,254,156	4,153,021
Public works	2,124,382	3,252,326	-	-	2,124,382	3,252,326
Culture and recreation	1,434,691	1,082,909	-	-	1,434,691	1,082,909
Conservation and development	1,159,925	328,157	-	-	1,159,925	328,157
Interest on long-term debt	989,637	930,584	-	-	989,637	930,584
Water	-	-	1,541,230	1,619,146	1,541,230	1,619,146
Wastewater	-	-	1,546,180	1,511,868	1,546,180	1,511,868
Electric	-	-	15,029,589	14,939,920	15,029,589	14,939,920
Solid waste	-	-	430,573	428,461	430,573	428,461
Total expenses	\$ 11,714,343	\$ 11,512,705	\$ 18,547,572	\$ 18,499,395	\$ 30,261,915	\$ 30,012,100
Increase (Decrease) in net position	1,041,493	799,012	1,957,206	1,977,397	2,998,699	2,776,409
Net position - January 1	35,687,117	34,888,105	50,794,323	48,816,926	86,481,440	83,705,031
Cumulative effect of change in accounting principle	1,925,852	-	510,826	-	2,436,678	-
Net position - January 1, restated	37,612,969	34,888,105	51,305,149	48,816,926	88,918,118	83,705,031
Net position - December 31	\$ 38,654,462	\$ 35,687,117	\$ 53,262,355	\$ 50,794,323	\$ 91,916,817	\$ 86,481,440

The property tax levy increased by \$176,849 (3.4%), without TID, for the 2015 collection year. This increase was directed toward the following areas:

\$ 115,849 for the General Fund Operations and Debt  
 \$ 61,000 for Capital Improvements

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

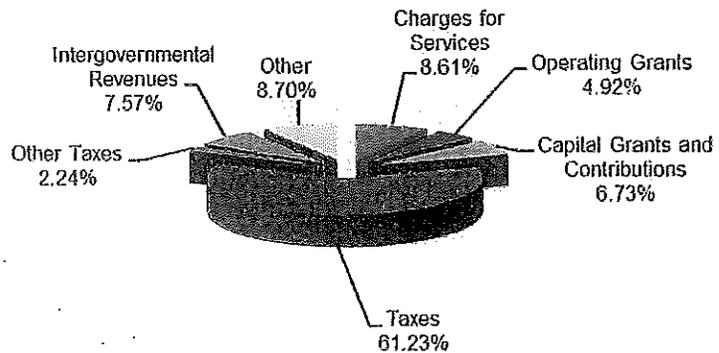
\$ 5,217 General  
 \$ 217 Capital Fund  
 \$ 1,472 Tax Increment District #2  
 \$ 186 Tax Increment District #1  
 \$ 344 Tax Increment District #3  
 \$ 1,912 Tax Increment District #4  
 \$ 51 Revolving Loan Fund

The City realized a one-time gain of \$817 on the sale of land and capital assets.

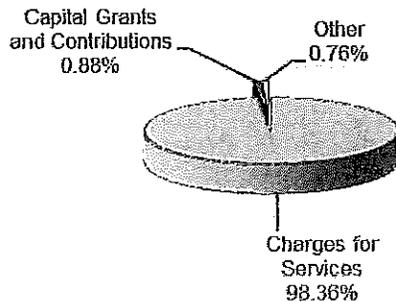
**Funding Sources for the governmental activities and business-type activities for the City of Sturgeon Bay and Sturgeon Bay Utilities**

The Chart on the right illustrates how governmental activities are funded. Property taxes and other taxes account for 63.47% of the total revenue needed to fund governmental activities. Intergovernmental revenues and grants comprise another 19.22%, while charges for services and all other sources are equal to 17.31% of revenues.

**2015 Governmental Activities**



**2015 Business-Type Activities**



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 98.36% 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, 2015, the City's governmental funds reported combined ending fund balances of \$11,945,549, an increase of \$2,891,631 in comparison with the prior year. Approximately 32% of this amount (\$3,795,813) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is nonspendable *restricted or assigned* to indicate that it is not available for new spending because it has already been restricted or assigned for the following:

\$ 3,616	Prepaid Items
4,550,875	Restricted for other Governmental Funds
3,595,245	Assigned for Governmental Funds
<u>\$ 8,149,736</u>	Total

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$3,795,813. 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 37% of total 2016 budgeted General Fund expenditures, and the total general fund balance also represents 42% of that same amount.

The fund balance of the City's general fund increased by \$332,990 during the current year. Key factors in this increase are as follows:

- Room tax collections in excess of budget
- Reallocation of staff time to special funds
- Fuel and other expense savings
- Debt service savings due to timing of payments

The Capital Improvements Fund has a total fund balance of \$2,379,824. The entire amount is assigned. Assigned fund balance represents 107% of total 2016 budgeted Capital Fund expenditures. The Tax Incremental District #2 Fund has a total fund balance of \$1,763,316. 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 \$8,887,180. The total increase in net position was \$1,873,236.

Unrestricted net position of the Solid Waste fund at the end of the year amounted to \$41,715. The total increase in net position was \$83,970.

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

## **Budgetary Highlights**

Generally, the original budget is rarely modified. In most instances, when the budget is modified, the line item adjustments are made within the department. Following is a list of budget adjustments that were made in 2015 where the adjustments were made between different departments:

- There were no budget adjustments made between departments in 2015

During the year, actual general fund revenues were more than budgeted revenues and appropriated balances by \$20,995 prior to applying budgeted appropriated balances and reserves. The 2015 budget contained \$1,910,879 in appropriated balances and reserves.

Actual expenditures were less than budgeted expenditures by \$2,015,742 in the general fund primarily due to lack of appropriations from the ERP contingency, allocation of staff time to other funds, fuel cost savings, timing of debt service payments, and conservative spending in several other expense line items.

## **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, 2015 amounts to \$96,785,282 (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 \$1,796,716 or roughly 2% compared to last year.

Major capital assets acquired or constructed during the year include:

- Two Squad Cars
- Two Commercial Mowers
- Bi-Directional Amplifier
- Annual Storm Sewer Outlay.
- Annual Road Resurfacing and Repair.
- Annual Alley/Parking Lot Repair.
- Annual Curbing & Sidewalk Repair.
- Egg Harbor Road Improvements
- Little Lake Improvements
- Replaced Chain link fences at the Lions and Kiwanis Fields
- Sewer and water main on E. Maple St.
- Replacement of pump and equipment at Well #3
- 3,600 advanced water meters with communication modules
- 106 rehabilitated sewer manholes
- Influent fine screen at wastewater treatment plant
- Installed new LED streetlights throughout the City

City of Sturgeon Bay's Capital Assets (Governmental Activities are net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 5,853,295	\$ 6,174,628	\$ 318,085	\$ 318,085	\$ 6,171,380	\$ 6,492,713
Land improvements	1,151,169	798,219	-	-	1,151,169	798,219
Buildings	6,183,044	6,311,138	6,207,535	6,207,535	12,390,579	12,518,673
Machinery and equipment and vehicles	1,264,507	1,415,322	18,889,081	18,398,276	20,153,588	19,813,598
Infrastructure	38,323,126	36,814,817	50,183,930	48,312,818	88,507,056	85,127,635
Less: Utility and solid waste fund depreciation	-	-	(33,401,804)	(32,844,283)	(33,401,804)	(32,844,283)
Construction in progress	406,897	340,127	1,406,417	2,741,884	1,813,314	3,082,011
Total	\$ 53,182,038	\$ 51,854,251	\$ 43,603,244	\$ 43,134,315	\$ 96,785,282	\$ 94,988,566

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$28,698,973 of this amount, \$16,733,973 comprises debt backed by the full faith and credit of the government and \$8,845,000 is debt which is expected to be paid by Tax Incremental Districts. An additional \$3,120,000 consists of taxable note anticipation notes.

City of Sturgeon Bay's Outstanding Debt General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation debt:						
Bonds	\$ 15,000,000	\$ 13,755,000	\$ -	\$ -	\$ 15,000,000	\$ 13,755,000
Notes	1,428,356	1,160,139	305,617	394,518	1,733,973	1,554,657
Total general obligation debt	\$ 16,428,356	\$ 14,915,139	\$ 305,617	\$ 394,518	\$ 16,733,973	\$ 15,309,657
Lease revenue bonds	8,845,000	10,250,000	-	-	8,845,000	10,250,000
Note anticipation note	3,120,000	-	-	-	3,120,000	-
Total	\$ 28,393,356	\$ 25,165,139	\$ 305,617	\$ 394,518	\$ 28,698,973	\$ 25,559,657

The City's total debt increased by \$3,139,316 during the current fiscal year. The key factor in this increase was primarily due to the issuance of debt for the Egg Harbor Road improvements and the TID #2 October 1<sup>st</sup> current debt payments, offset by retirement of TID #2 lease revenue bonds. In addition, TID #4 received external financing.

The Sturgeon Bay Utility has no outstanding debt as of December 31, 2015.

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 \$40,255,000, which is significantly in excess of the City's \$16,733,973, 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 \$3,795,813. The City has assigned fund balance in the amount of \$543,035 for spending in the 2016 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, 2015  
(With summarized financial information as of December 31, 2014)

	Governmental Activities	Business-type Activities	Total	
			2015	2014
<b>ASSETS</b>				
Cash and investments	\$ 16,374,304	\$ 7,133,244	\$ 23,507,548	\$ 19,308,747
Receivables				
Taxes	14,819,989	1,415	14,821,404	14,553,092
Accounts	665,248	1,784,814	2,450,062	1,894,889
Special assessments	360,815	-	360,815	387,470
Loans	545,981	-	545,981	605,476
Other	-	122,487	122,487	209,329
Internal balances	639,833	(639,833)	-	-
Inventories and prepaid items	3,616	687,420	691,036	640,788
Restricted assets				
Cash and investments	-	521,876	521,876	521,355
Investment in American Transmission Company	-	1,896,468	1,896,468	1,823,277
Net pension asset	952,404	252,113	1,204,517	-
Non-utility property	-	42,000	42,000	42,000
Capital assets, nondepreciable				
Land	5,853,295	276,085	6,129,380	6,450,713
Construction in progress	406,897	1,406,417	1,813,314	3,082,011
Capital assets, depreciable				
Land improvements	4,844,081	-	4,844,081	4,356,011
Buildings and improvements	9,981,812	6,207,535	16,189,347	16,089,517
Machinery and equipment	7,520,345	18,889,081	26,409,426	25,753,978
Infrastructure	58,266,764	50,183,930	108,450,694	104,212,667
Less: Accumulated depreciation	(33,691,156)	(33,401,804)	(67,092,960)	(64,998,331)
<b>TOTAL ASSETS</b>	<b>87,544,228</b>	<b>55,363,248</b>	<b>142,907,476</b>	<b>134,932,989</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	342,136	-	342,136	397,586
Deferred outflows related to pension	993,039	261,844	1,254,883	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,335,175</b>	<b>261,844</b>	<b>1,597,019</b>	<b>397,586</b>
<b>LIABILITIES</b>				
Accounts payable	877,607	1,550,797	2,428,404	2,302,508
Other current liabilities	308,491	3,051	311,542	271,318
Accrued interest payable	208,755	1,511	210,266	218,509
Due to other governments	11,327,166	-	11,327,166	10,961,120
Deposits	32,000	146,179	178,179	133,704
Compensated absences	730,384	353,490	1,083,874	1,200,569
Public benefits payable	-	2,092	2,092	-
Long-term obligations				
Due within one year	2,497,753	88,901	2,586,654	2,469,201
Due in more than one year	26,230,610	216,716	26,447,326	23,496,668
<b>TOTAL LIABILITIES</b>	<b>42,212,766</b>	<b>2,362,737</b>	<b>44,575,503</b>	<b>41,053,597</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	8,003,967	-	8,003,967	7,777,480
Grants	8,208	-	8,208	18,058
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>8,012,175</b>	<b>-</b>	<b>8,012,175</b>	<b>7,795,538</b>
<b>NET POSITION</b>				
Net investment in capital assets	27,908,682	43,297,627	71,206,309	69,684,379
Restricted for				
Capital improvements	4,550,875	521,876	5,072,751	3,201,019
Loan program	873,213	-	873,213	865,972
Pension benefits	1,945,443	513,957	2,459,400	-
Unrestricted	3,376,249	8,928,895	12,305,144	12,730,070
<b>TOTAL NET POSITION</b>	<b>\$ 38,654,462</b>	<b>\$ 53,262,355</b>	<b>\$ 91,916,817</b>	<b>\$ 86,481,440</b>

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

***THIS PAGE LEFT BLANK INTENTIONALLY***

**CITY OF STURGEON BAY, WISCONSIN**

Statement of Activities

For the Year Ended December 31, 2015

(With summarized financial information for the year ended December 31, 2014)

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	\$ 1,751,552	\$ 186,345	\$ -	\$ -
Public safety	4,254,156	532,873	68,206	9,850
Public works	2,124,382	179,900	491,884	415,817
Culture and recreation	1,434,691	189,234	67,215	432,178
Development	1,159,925	9,928	-	299
Interest on debt	989,637	-	-	-
<b>Total Governmental Activities</b>	<b>11,714,343</b>	<b>1,098,280</b>	<b>627,305</b>	<b>858,144</b>
<b>Business-type Activities</b>				
Water utility	1,541,230	2,238,374	-	5,280
Sewer utility	1,546,180	2,108,459	-	-
Electric utility	15,029,589	16,129,494	-	183,582
Solid waste utility	430,573	514,543	-	-
<b>Total Business-type Activities</b>	<b>18,547,572</b>	<b>20,990,870</b>	<b>-</b>	<b>188,862</b>
<b>Total Primary Government</b>	<b>\$ 30,261,915</b>	<b>\$ 22,089,150</b>	<b>\$ 627,305</b>	<b>\$ 1,047,006</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

Transfers

Total general revenues and transfers

Change in net position

Net position - January 1, as originally reported

Cumulative effect of change in accounting principle

Net position - January 1, restated

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	
		2015	2014

\$ (1,565,207)	\$ -	\$ (1,565,207)	\$ (1,587,519)
(3,643,227)	-	(3,643,227)	(3,558,730)
(1,036,781)	-	(1,036,781)	(2,375,595)
(746,064)	-	(746,064)	(510,004)
(1,149,698)	-	(1,149,698)	(243,985)
(989,637)	-	(989,637)	(930,584)
<u>(9,130,614)</u>	<u>-</u>	<u>(9,130,614)</u>	<u>(9,206,417)</u>

-	702,424	702,424	619,909
-	562,279	562,279	533,630
-	1,283,487	1,283,487	1,361,037
-	83,970	83,970	61,040
<u>-</u>	<u>2,632,160</u>	<u>2,632,160</u>	<u>2,575,616</u>
<u>(9,130,614)</u>	<u>2,632,160</u>	<u>(6,498,454)</u>	<u>(6,630,801)</u>

5,265,031	-	5,265,031	5,148,937
2,545,167	-	2,545,167	2,392,867
285,837	-	285,837	267,033
966,599	-	966,599	962,984
32,350	156,862	189,212	216,249
240,727	4,580	245,307	419,140
836,396	(836,396)	-	-
<u>10,172,107</u>	<u>(674,954)</u>	<u>9,497,153</u>	<u>9,407,210</u>
<u>1,041,493</u>	<u>1,957,206</u>	<u>2,998,699</u>	<u>2,776,409</u>
<u>35,687,117</u>	<u>50,794,323</u>	<u>86,481,440</u>	<u>83,705,031</u>
<u>1,925,852</u>	<u>510,826</u>	<u>2,436,678</u>	<u>-</u>
<u>37,612,969</u>	<u>51,305,149</u>	<u>88,918,118</u>	<u>83,705,031</u>
<u>\$ 38,654,462</u>	<u>\$ 53,262,355</u>	<u>\$ 91,916,817</u>	<u>\$ 86,481,440</u>

***Fund Financial Statements***

**CITY OF STURGEON BAY, WISCONSIN**

Balance Sheet

Governmental Funds

December 31, 2015

(With summarized financial information as of December 31, 2014)

	General Fund	Tax Incremental District #2	Capital Improvements
<b>ASSETS</b>			
Cash and investments	\$ 8,678,853	\$ 2,130,250	\$ 1,838,526
Receivables			
Taxes	12,243,177	1,138,282	831,815
Accounts	55,629	-	609,619
Special assessments	360,815	-	-
Loans	-	-	-
Due from other funds	1,270,853	-	2,644
Inventories and prepaid items	3,616	-	-
<b>TOTAL ASSETS</b>	<b>\$ 22,612,943</b>	<b>\$ 3,268,532</b>	<b>\$ 3,282,604</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 846,851	\$ -	\$ 30,757
Accrued payroll liabilities	308,491	-	32,000
Due to other funds	-	366,934	-
Due to other governments	11,327,166	-	-
<b>Total Liabilities</b>	<b>12,482,508</b>	<b>366,934</b>	<b>62,757</b>
<b>Deferred Inflows of Resources</b>			
Property taxes	5,427,155	1,138,282	831,815
Grants	-	-	8,208
Special assessments	360,816	-	-
Loans receivable	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>5,787,971</b>	<b>1,138,282</b>	<b>840,023</b>
<b>Fund Balances</b>			
<b>Nonspendable</b>			
Inventories and prepaid items	3,616	-	-
Restricted for capital improvements	-	1,763,316	-
Assigned for subsequent year expenditures	543,035	-	2,379,824
Unassigned	3,795,813	-	-
<b>Total Fund Balances</b>	<b>4,342,464</b>	<b>1,763,316</b>	<b>2,379,824</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 22,612,943</b>	<b>\$ 3,268,532</b>	<b>\$ 3,282,604</b>

(Continued)

Other Governmental Funds	Total Governmental Funds	
	2015	2014

\$ 3,726,675    \$ 16,374,304    \$ 13,093,066

606,715    14,819,989    14,552,740

-    665,248    111,103

-    360,815    387,470

545,981    545,981    605,476

-    1,273,497    1,459,401

-    3,616    6,116

\$ 4,879,371    \$ 34,043,450    \$ 30,215,372

\$ -    \$ 877,608    \$ 324,654

-    340,491    268,253

266,730    633,664    819,568

-    11,327,166    10,961,120

266,730    13,178,929    12,373,595

606,715    8,003,967    7,777,480

-    8,208    18,058

-    360,816    386,846

545,981    545,981    605,475

1,152,696    8,918,972    8,787,859

-    3,616    6,116

2,787,559    4,550,875    2,679,664

672,386    3,595,245    3,584,920

-    3,795,813    2,783,218

3,459,945    11,945,549    9,053,918

\$ 4,879,371    \$ 34,043,450    \$ 30,215,372

**CITY OF STURGEON BAY, WISCONSIN**

Balance Sheet (Continued)

Governmental Funds

December 31, 2015

(With summarized financial information as of December 31, 2014)

	2015	2014
<u>Reconciliation to the Statement of Net Position</u>		
Total Fund Balances as shown on previous page	\$ 11,945,549	\$ 9,053,918
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.	53,182,038	51,854,251
The City's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Net pension asset	952,404	-
Deferred outflows of resources	993,039	-
Some special assessments and loans used in governmental financing activities are unavailable financial resources and therefore are deferred in the funds.	906,797	992,321
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(19,548,356)	(14,915,139)
Lease revenue bonds	(8,845,000)	(10,250,000)
Deferred charge on refunding	342,136	397,586
Compensated absences	(730,383)	(823,114)
Other post-employment benefits	(138,419)	(264,096)
Bond premium	(196,588)	(142,116)
Accrued interest on long-term obligations	(208,755)	(216,494)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 13)	\$ 38,654,462	\$ 35,687,117

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

***THIS PAGE LEFT BLANK INTENTIONALLY***

**CITY OF STURGEON BAY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015  
(With summarized financial information for the year ended December 31, 2014)

	General Fund	Tax Incremental District #2	Capital Improvements
<b>Revenues</b>			
Taxes	\$ 5,550,868	\$ 1,148,440	\$ 826,135
Special assessments	-	-	26,050
Intergovernmental	1,479,900	10,379	67,374
Licenses and permits	151,845	-	-
Fines and forfeits	53,998	-	8,763
Public charges for services	227,235	-	404,329
Intergovernmental charges for services	464,112	-	-
Commercial	31,702	-	-
Miscellaneous	130,871	3,756	455,947
<b>Total Revenues</b>	<b>8,090,531</b>	<b>1,162,575</b>	<b>1,788,598</b>
<b>Expenditures</b>			
Current			
General government	1,648,675	-	-
Public safety	4,085,494	-	-
Public works	1,341,411	-	-
Culture and recreation	741,347	-	-
Development	386,373	3,835	-
Debt service			
Principal	327,694	1,952,630	-
Interest and fiscal charges	75,244	741,294	6,261
Capital outlay	-	133,184	3,289,046
<b>Total Expenditures</b>	<b>8,606,238</b>	<b>2,830,943</b>	<b>3,295,307</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(515,707)</b>	<b>(1,668,368)</b>	<b>(1,506,709)</b>
<b>Other Financing Sources (Uses)</b>			
Long-term debt issued	-	1,100,000	1,388,541
Premium on debt issued	-	48,712	27,485
Sale of capital assets	-	-	90,157
Transfers in	861,239	393,391	15,186
Transfers out	(12,542)	(2,644)	(9,278)
<b>Total Other Financing Sources (Uses)</b>	<b>848,697</b>	<b>1,539,459</b>	<b>1,512,091</b>
<b>Net Change in Fund Balances</b>	<b>332,990</b>	<b>(128,909)</b>	<b>5,382</b>
<b>Fund Balances - January 1</b>	<b>4,009,474</b>	<b>1,892,225</b>	<b>2,374,442</b>
<b>Fund Balances - December 31</b>	<b>\$ 4,342,464</b>	<b>\$ 1,763,316</b>	<b>\$ 2,379,824</b>

(Continued)

Other Governmental Funds	Total Governmental Funds	
	2015	2014

\$ 570,592	\$ 8,096,035	\$ 7,808,837
-	26,050	333,461
23,142	1,580,795	1,691,514
137,710	289,555	266,253
-	62,761	56,170
-	631,564	574,241
-	464,112	462,588
-	31,702	39,564
243,660	834,234	748,874
<u>975,104</u>	<u>12,016,808</u>	<u>11,981,502</u>

-	1,648,675	1,487,635
-	4,085,494	3,907,534
-	1,341,411	1,375,483
-	741,347	721,763
760,612	1,150,820	696,525
100,000	2,380,324	2,451,093
72,709	895,508	877,550
132,593	3,554,823	1,976,469
<u>1,065,914</u>	<u>15,798,402</u>	<u>13,494,052</u>
<u>(90,810)</u>	<u>(3,781,594)</u>	<u>(1,512,550)</u>

3,120,000	5,608,541	1,441,632
1,934	78,131	6,937
60,000	150,157	75,060
144,063	1,413,879	1,340,293
(553,019)	(577,483)	(532,294)
<u>2,772,978</u>	<u>6,673,225</u>	<u>2,331,628</u>
2,682,168	2,891,631	819,078
<u>777,777</u>	<u>9,053,918</u>	<u>8,234,840</u>
<u>\$ 3,459,945</u>	<u>\$ 11,945,549</u>	<u>\$ 9,053,918</u>

**CITY OF STURGEON BAY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2015  
(With summarized financial information for the year ended December 31, 2014)

	2015	2014
<u>Reconciliation to the Statement of Activities</u>		
Net Change in Fund Balances as shown on previous page	\$ 2,891,631	\$ 819,078
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 expenditures in governmental fund statements	\$ 2,936,398	
Capital assets donated to the City	372,210	
Depreciation expense reported in the statement of activities	<u>(1,659,488)</u>	
Amount by which capital outlays are greater (less) than depreciation in current period	1,649,120	(483,996)
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	(321,333)	(113,918)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased (increased) by:		
	218,408	66,471
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:	(5,608,541)	(1,441,632)
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:	2,380,324	2,451,093
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.	(109,922)	(35,629)
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.	7,739	(19,671)
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.	(26,029)	(339,993)
Change in the net pension asset and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan	19,591	-
Rehabilitation loans that are deferred in the fund statements are recognized as revenue in the statement of activities.	<u>(59,495)</u>	<u>(102,791)</u>
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 14 - 15)	<u>\$ 1,041,493</u>	<u>\$ 799,012</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,499,696	\$ 5,499,696	\$ 5,550,868	\$ 51,172
Intergovernmental	1,456,610	1,456,610	1,479,900	23,290
Licenses and permits	115,290	115,290	151,845	36,555
Fines and forfeits	50,000	50,000	53,998	3,998
Public charges for services	199,080	199,080	227,235	28,155
Intergovernmental charges for services	464,110	464,110	464,112	2
Commercial	31,660	31,660	31,702	42
Miscellaneous	39,285	39,285	130,871	91,586
<b>Total Revenues</b>	<b>7,855,731</b>	<b>7,855,731</b>	<b>8,090,531</b>	<b>234,800</b>
<b>Expenditures</b>				
Current				
General government	3,067,720	3,067,720	1,648,675	1,419,045
Public safety	4,080,770	4,080,770	4,085,494	(4,724)
Public works	1,557,600	1,557,600	1,341,411	216,189
Culture and recreation	831,120	831,120	741,347	89,773
Development	451,800	451,800	386,373	65,427
Debt service				
Principal	514,770	514,770	327,694	187,076
Interest and fiscal charges	118,200	118,200	75,244	42,956
<b>Total Expenditures</b>	<b>10,621,980</b>	<b>10,621,980</b>	<b>8,606,238</b>	<b>2,015,742</b>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(2,766,249)	(2,766,249)	(515,707)	2,250,542
<b>Other Financing Sources (Uses)</b>				
Transfers in	861,239	861,239	861,239	-
Transfers out	(12,542)	(12,542)	(12,542)	-
<b>Total Other Financing Sources (Uses)</b>	<b>848,697</b>	<b>848,697</b>	<b>848,697</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(1,917,552)</b>	<b>(1,917,552)</b>	<b>332,990</b>	<b>2,250,542</b>
<b>Fund Balance - January 1</b>	<b>4,009,474</b>	<b>4,009,474</b>	<b>4,009,474</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 2,091,922</b>	<b>\$ 2,091,922</b>	<b>\$ 4,342,464</b>	<b>\$ 2,250,542</b>

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

**CITY OF STURGEON BAY, WISCONSIN**  
Statement of Net Position  
Proprietary Funds  
December 31, 2015  
(With summarized financial information as of December 31, 2014)

	Enterprise Funds					
	Sturgeon Bay Utilities			Nonmajor Fund Solid	Total	
	Sewer Utility	Water Utility	Electric Utility	Waste	2015	2014
<b>ASSETS</b>						
Cash and investments	\$ 668,687	\$ 451,272	\$ 5,968,423	\$ 44,862	\$ 7,133,244	\$ 6,215,681
Receivables						
Taxes	-	-	-	1,415	1,415	352
Accounts	140,988	208,114	1,435,712	-	1,784,814	1,783,786
Other	52,518	266	69,703	-	122,487	209,329
Due from other funds	1,529,613	694,172	-	-	2,223,785	1,544,173
Inventories and prepaid expenses	8,072	86,685	592,663	-	687,420	634,672
Restricted assets						
Cash and investments	521,876	-	-	-	521,876	521,355
Investment in American Transmission Company	-	-	1,896,468	-	1,896,468	1,823,277
Net pension asset	23,381	23,978	185,735	19,019	252,113	-
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	-	1,312,288	94,129	-	1,406,417	2,741,884
Capital assets, depreciable						
Buildings	2,596,393	1,563,890	2,047,252	-	6,207,535	6,207,535
Machinery and equipment Infrastructure	7,115,055	2,800,521	8,524,961	448,544	18,889,081	18,398,276
Less: Accumulated depreciation	(11,069,019)	(8,157,175)	(14,018,573)	(157,037)	(33,401,804)	(32,844,283)
<b>TOTAL ASSETS</b>	<b>12,379,248</b>	<b>14,675,672</b>	<b>30,815,143</b>	<b>356,803</b>	<b>58,226,866</b>	<b>55,866,940</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pension	24,327	24,671	192,948	19,898	261,844	-
<b>LIABILITIES</b>						
Accounts payable	104,956	41,151	1,404,690	-	1,550,797	1,976,654
Accrued interest	-	-	-	1,511	1,511	2,015
Other current liabilities	-	-	-	3,051	3,051	4,265
Due to other funds - municipality	-	315,832	324,001	-	639,833	639,833
Due to other funds	-	-	2,223,785	-	2,223,785	1,544,173
Deposits	-	-	146,179	-	146,179	133,704
Compensated absences	49,501	51,598	252,391	-	353,490	377,455
Public benefits payable	-	-	2,092	-	2,092	-
Long-term obligations						
Due within one year	-	-	8,192	80,709	88,901	88,901
Due in more than one year	-	-	55,299	161,417	216,716	305,617
<b>TOTAL LIABILITIES</b>	<b>154,457</b>	<b>408,581</b>	<b>4,416,629</b>	<b>246,688</b>	<b>5,226,355</b>	<b>5,072,617</b>
<b>NET POSITION</b>						
Net investment in capital assets	9,434,113	13,211,185	20,602,948	49,381	43,297,627	42,739,797
Restricted for						
Pension	47,708	48,649	378,683	38,917	513,957	-
Capital projects	521,876	-	-	-	521,876	521,355
Unrestricted	2,245,421	1,031,928	5,609,831	41,715	8,928,895	7,533,171
<b>TOTAL NET POSITION</b>	<b>\$ 12,249,118</b>	<b>\$ 14,291,762</b>	<b>\$ 26,591,462</b>	<b>\$ 130,013</b>	<b>\$ 53,262,355</b>	<b>\$ 50,794,323</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  
Proprietary Funds  
For the Year Ended December 31, 2015  
(With summarized financial information for the year ended December 31, 2014)

	Enterprise Funds					
	Sturgeon Bay Utilities			Nonmajor Fund Solid Waste	Total	
	Sewer Utility	Water Utility	Electric Utility		2015	2014
Operating Revenues						
Charges for services						
Electric charges	\$ -	\$ -	\$ 15,809,163	\$ -	\$ 15,809,163	\$ 15,880,207
Water charges	-	2,159,439	-	-	2,159,439	2,156,850
Wastewater charges	2,091,655	-	-	-	2,091,655	2,026,906
Solid waste charges	-	-	-	464,213	464,213	440,758
Other	16,246	52,823	334,535	50,330	453,934	447,789
Total Operating Revenues	<u>2,107,901</u>	<u>2,212,262</u>	<u>16,143,698</u>	<u>514,543</u>	<u>20,978,404</u>	<u>20,952,510</u>
Operating Expenses						
Operation and maintenance	1,221,875	1,109,224	13,669,666	379,782	16,380,547	16,334,678
Depreciation	310,297	426,334	1,185,754	44,868	1,967,253	1,919,301
Taxes	14,008	5,672	174,042	-	193,722	237,673
Total Operating Expenses	<u>1,546,180</u>	<u>1,541,230</u>	<u>15,029,462</u>	<u>424,650</u>	<u>18,541,522</u>	<u>18,491,652</u>
Operating Income	<u>561,721</u>	<u>671,032</u>	<u>1,114,236</u>	<u>89,893</u>	<u>2,436,882</u>	<u>2,460,858</u>
Nonoperating Revenues (Expenses)						
Interest income	4,804	2,153	149,905	-	156,862	195,725
Merchandising and jobbing	558	26,112	(14,204)	-	12,466	74,950
Interest expense	-	-	(127)	(5,923)	(6,050)	(7,743)
Miscellaneous income	4,580	-	-	-	4,580	14,055
Total Nonoperating Revenues	<u>9,942</u>	<u>28,265</u>	<u>135,574</u>	<u>(5,923)</u>	<u>167,858</u>	<u>276,987</u>
Income Before Contributions and Transfers	<u>571,663</u>	<u>699,297</u>	<u>1,249,810</u>	<u>83,970</u>	<u>2,604,740</u>	<u>2,737,845</u>
Capital contributions	-	5,280	183,582	-	188,862	47,551
Transfers out	-	(354,483)	(481,913)	-	(836,396)	(807,999)
Change in Net Position	<u>571,663</u>	<u>350,094</u>	<u>951,479</u>	<u>83,970</u>	<u>1,957,206</u>	<u>1,977,397</u>
Net Position - January 1, as originally reported	11,630,125	13,892,852	25,263,695	7,651	50,794,323	48,816,926
Cumulative Effect of Change in Accounting Principle	47,330	48,816	376,288	38,392	510,826	-
Net Position - January 1, as restated	<u>11,677,455</u>	<u>13,941,668</u>	<u>25,639,983</u>	<u>46,043</u>	<u>51,305,149</u>	<u>48,816,926</u>
Net Position - December 31	<u>\$ 12,249,118</u>	<u>\$ 14,291,762</u>	<u>\$ 26,591,462</u>	<u>\$ 130,013</u>	<u>\$ 53,262,355</u>	<u>\$ 50,794,323</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, 2015

(With summarized financial information for the year ended December 31, 2014)

	Sturgeon Bay Utilities	Nonmajor Fund Solid Waste	Total	
			2015	2014
<b>Cash Flows from Operating Activities</b>				
Cash received from user charges	\$ 20,160,638	\$ 513,480	\$ 20,674,118	\$ 20,586,149
Cash received from other charges	420,650	-	420,650	488,051
Cash payments to suppliers	(15,632,026)	(208,773)	(15,840,799)	(15,011,497)
Cash payments to employees for operating payroll	(922,117)	(172,748)	(1,094,865)	(1,227,233)
<b>Net Cash Provided by Operating Activities</b>	<b>4,027,145</b>	<b>131,959</b>	<b>4,159,104</b>	<b>4,835,470</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Paid to municipality for tax equivalent	(836,396)	-	(836,396)	(807,999)
Loan repayment from (to) local school district	-	-	-	1,000,000
Advance repaid to (from) other fund	-	-	-	(14,368)
<b>Net Cash Provided By (Used in) Noncapital Financing Activities</b>	<b>(836,396)</b>	<b>-</b>	<b>(836,396)</b>	<b>177,633</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of capital assets	(2,103,389)	-	(2,103,389)	(4,304,751)
Salvage value received on retired capital assets	14,160	-	14,160	29,302
Cost of removal paid on retired capital assets	(303,611)	-	(303,611)	(237,909)
Interest payments on long-term debt	(127)	(6,427)	(6,554)	(16,231)
Principal payments on long-term debt	(8,192)	(80,709)	(88,901)	(88,901)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(2,401,159)</b>	<b>(87,136)</b>	<b>(2,488,295)</b>	<b>(4,618,490)</b>
<b>Cash Flows from Investing Activities</b>				
Increase in ATC investment	(73,191)	-	(73,191)	(119,064)
Investment income	156,862	-	156,862	195,725
<b>Net Cash Provided by Investing Activities</b>	<b>83,671</b>	<b>-</b>	<b>83,671</b>	<b>76,661</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>873,261</b>	<b>44,823</b>	<b>918,084</b>	<b>471,274</b>
<b>Cash and Cash Equivalents - January 1</b>	<b>6,736,997</b>	<b>39</b>	<b>6,737,036</b>	<b>6,265,762</b>
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ 7,610,258</b>	<b>\$ 44,862</b>	<b>\$ 7,655,120</b>	<b>\$ 6,737,036</b>
<b>Noncash Noncapital Financing Activities:</b>				
Developer financed additions to utility plant	\$ 188,862	\$ -	\$ 188,862	\$ 47,551

(Continued)

**CITY OF STURGEON BAY, WISCONSIN**

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended December 31, 2015

(With summarized financial information for the year ended December 31, 2014)

	Sturgeon Bay Utilities	Nonmajor Fund Solid Waste	Total	
			2015	2014
Reconciliation of Operating Income to Net Cash				
Provided by Operating Activities:				
Operating income	\$ 2,346,989	\$ 89,893	\$ 2,436,882	\$ 2,460,858
Nonoperating revenue	17,046	-	17,046	89,005
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,922,385	44,868	1,967,253	1,919,301
Depreciation charged to other accounts	145,520	-	145,520	153,225
Change in pension related assets and deferred outflows	(2,606)	(525)	(3,131)	-
Changes in assets and liabilities:				
Customer accounts receivable	(1,028)	(1,063)	(2,091)	(15,624)
Other accounts receivable	86,842	-	86,842	51,848
Inventories and prepaid expenses	(52,748)	-	(52,748)	10,183
Accounts payable	(425,857)	-	(425,857)	315,802
Deposits	12,475	-	12,475	(1,384)
Accrued and other current liabilities	-	(1,214)	(1,214)	(127,786)
Public benefits payable	2,092	-	2,092	(2,154)
Compensated absences payable	(23,965)	-	(23,965)	(17,804)
Net Cash Provided by Operating Activities	<u>\$ 4,027,145</u>	<u>\$ 131,959</u>	<u>\$ 4,159,104</u>	<u>\$ 4,835,470</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:				
Cash and investments	\$ 7,088,382	\$ 44,862	\$ 7,133,244	\$ 6,215,681
Restricted cash and investments	521,876	-	521,876	521,355
Total Cash and Cash Equivalents	<u>\$ 7,610,258</u>	<u>\$ 44,862</u>	<u>\$ 7,655,120</u>	<u>\$ 6,737,036</u>

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

## CITY OF STURGEON BAY, WISCONSIN

Notes to Basic Financial Statements

December 31, 2015

### 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 2015, the City remitted an appropriation of \$73,986 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 2015, the City of Sturgeon Bay received \$195,681 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.

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*.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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.

**CAPITAL IMPROVEMENTS**

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

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.

**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.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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.

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.

**CITY OF STURGEON BAY, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2015

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

e. Prepaid Items

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

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

f. Other Assets

***Investment in American Transmission Company (ATC)***

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

The investment earns dividends quarterly, 80% of which is paid in cash and 20% of which is required to be reinvested. From time to time, the utility has the option to contribute additional funds to maintain their proportionate share of ownership. The asset is valued at original cost plus earnings, plus additional contributions and reinvested dividends, less distributions, which is \$1,896,468 at December 31, 2015.

g. Capital Assets

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

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

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

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

**CITY OF STURGEON BAY, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2015

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

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

**h. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements or employee benefit policy. Employees may accumulate sick leave up to 100 days pay. Upon retirement, police department employees may take 50 days of unused sick leave in cash or apply up to 100 days of unused sick pay towards health insurance premiums. Fire department employees are only allowed to apply up to 100 days of unused sick leave pay towards health insurance premiums. Upon retirement, all other employees will be paid for all unused sick leave days. 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 on the statement of net position.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

j. Customer Deposits

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

k. Deferred 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 has two items that qualify for reporting in this category in the government-wide statement of net position. The first is the deferred charge on refunding, resulting from a difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is related to the City's proportionate share of the Wisconsin Retirement system pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

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.

l. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net 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. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

n. 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.

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 and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- 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.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

o. 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.

p. 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, 2014, 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.
- 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, 2015.

CITY OF STURGEON BAY, WISCONSIN

Notes to Basic Financial Statements

December 31, 2015

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 \$25,925,892 on December 31, 2015 as summarized below:

Petty cash and cash on hand	\$	900
Deposits with financial institutions		7,811,738
Other investments		
Wisconsin local government investment pool		12,489,944
Negotiable FDIC insured CDs		3,726,842
Investment in American Transmission Company (ATC)		1,896,468
	\$	<u>25,925,892</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position		
Cash and investments	\$	23,507,548
Restricted cash and investments		521,876
Investment in American Transmission Company (ATC)		1,896,468
	\$	<u>25,925,892</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.

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.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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, 2015, \$2,279,612 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, 2015, \$4,065,176 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, 2015, 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.

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	\$ 12,489,944	\$ 12,489,944	\$ -	\$ -	\$ -
Negotiable FDIC insured CDs	3,726,842	3,726,842	-	-	-
<b>Totals</b>	<b>\$ 16,216,786</b>	<b>\$ 16,216,786</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF STURGEON BAY, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2015

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

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$12,489,944 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, 2015, 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 1/4 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 earnings, plus additional contributions and reinvested dividends, less distributions, which is \$1,896,468 at December 31, 2015.

2. Restricted Assets

Restricted assets on December 31, 2015 totaled \$521,876 and consisted of cash and investments held for the following purposes:

Enterprise Fund

Wastewater replacement account

\$ 521,876

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, 2015

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

4. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,174,628	\$ -	\$ 321,333	\$ 5,853,295
Construction in progress	340,127	66,770	-	406,897
Total capital assets, not being depreciated	6,514,755	66,770	321,333	6,260,192
Capital assets, being depreciated:				
Land improvements	4,356,011	504,812	16,742	4,844,081
Buildings	9,881,982	99,830	-	9,981,812
Machinery and equipment	7,355,702	216,558	51,915	7,520,345
Infrastructure	55,899,849	2,420,638	53,723	58,266,764
Subtotals	77,493,544	3,241,838	122,380	80,613,002
Less accumulated depreciation for:				
Land improvements	3,557,792	151,862	16,742	3,692,912
Buildings	3,570,844	227,924	-	3,798,768
Machinery and equipment	5,940,380	367,373	51,915	6,255,838
Infrastructure	19,085,032	912,329	53,723	19,943,638
Subtotals	32,154,048	1,659,488	122,380	33,691,156
Total capital assets, being depreciated, net	45,339,496	1,582,350	-	46,921,846
Governmental activities capital assets, net	<u>\$ 51,854,251</u>	<u>\$ 1,649,120</u>	<u>\$ 321,333</u>	53,182,038
Less related long-term debt outstanding				<u>25,273,356</u>
Net investment in capital assets				<u>\$ 27,908,682</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	2,741,884	345,782	1,681,249	1,406,417
Total capital assets, not being depreciated	3,059,969	345,782	1,681,249	1,724,502
Capital assets, being depreciated:				
Buildings	6,207,535	-	-	6,207,535
Machinery and equipment	18,398,276	618,195	127,390	18,889,081
Infrastructure	48,312,818	3,013,777	1,142,665	50,183,930
Subtotals	72,918,629	3,631,972	1,270,055	75,280,546
Less accumulated depreciation for:				
Wastewater utility	11,050,095	319,507	300,583	11,069,019
Electric distribution utility	13,948,549	1,312,539	1,242,515	14,018,573
Water utility	7,733,470	450,019	26,314	8,157,175
Solid waste	112,169	44,868	-	157,037
Subtotals	32,844,283	2,126,933	1,569,412	33,401,804
Total capital assets, being depreciated, net	40,074,346	1,505,039	(299,357)	41,878,742
Business-type activities capital assets, net	<u>\$ 43,134,315</u>	<u>\$ 1,850,821</u>	<u>\$ 1,381,892</u>	43,603,244
Less related long-term debt outstanding				<u>305,617</u>
Net investment in capital assets				<u>\$ 43,297,627</u>

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

Governmental activities	
General government	\$ 203,748
Public safety	203,222
Public works	1,089,646
Culture and recreation	162,872
Total depreciation expense - governmental activities	<u>\$ 1,659,488</u>
Business-type activities	
Sewer	\$ 310,297
Water	426,334
Electric	1,185,754
Solid waste	44,868
Total depreciation expense - business-type activities	<u>1,967,253</u>
Depreciation charged to operation and maintenance	145,520
Salvage value received	14,160
	<u>\$ 2,126,933</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, 2015 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds		
General Fund	\$ 1,270,853	\$ -
Sewer Utility	1,529,613	-
Water Utility	694,172	315,832
Electric Utility	-	2,547,786
Capital Improvements	2,644	-
Tax Incremental District #2	-	366,934
Tax Incremental District #3	-	1,733
Tax Incremental District #4	-	253,933
Revolving Loan	-	11,064
Totals	<u>\$ 3,497,282</u>	<u>\$ 3,497,282</u>

**CITY OF STURGEON BAY, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2015

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

Interfund transfers for the year ended December 31, 2015 were as follows:

	Transfer from:			
	Totals	General Fund	Sturgeon Bay Utilities	Cable TV
Transfers to:				
General fund	\$ 861,239	\$ -	\$ 836,396	\$ 4,500
Capital improvements	15,186	12,542	-	-
TID No. 2	393,391	-	-	-
TID No. 3	144,063	-	-	-
<b>Totals</b>	<b>\$ 1,413,879</b>	<b>\$ 12,542</b>	<b>\$ 836,396</b>	<b>\$ 4,500</b>

	Transfer from:			
	Revolving Loan	Tax Incremental District #1	Tax Incremental District #2	Capital Improvements
Transfers to:				
General fund	\$ 11,065	\$ -	\$ -	\$ 9,278
Capital improvements	-	-	2,644	-
TID No. 2	-	393,391	-	-
TID No. 3	-	144,063	-	-
<b>Totals</b>	<b>\$ 11,065</b>	<b>\$ 537,454</b>	<b>\$ 2,644</b>	<b>\$ 9,278</b>

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

**CITY OF STURGEON BAY, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2015

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

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2015:

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 13,755,000	\$ 2,085,000	\$ 840,000	\$ 15,000,000	\$ 860,000
Notes	1,160,139	403,541	135,324	1,428,356	172,753
Total General Obligation Debt	14,915,139	2,488,541	975,324	16,428,356	1,032,753
Taxable Note Anticipation Note	-	3,120,000	-	3,120,000	-
Lease revenue bonds	10,250,000	-	1,405,000	8,845,000	1,465,000
Compensated absences	823,114	-	92,730	730,384	-
Post-employment benefits	264,096	-	125,677	138,419	-
Premium on refunded debt	142,116	76,197	21,725	196,588	-
Governmental activities Long-term obligations	<u>\$ 26,394,465</u>	<u>\$ 5,684,738</u>	<u>\$ 2,620,456</u>	<u>\$ 29,458,747</u>	<u>\$ 2,497,753</u>
<b>Business-type activities:</b>					
General Obligation Debt Note	\$ 394,518	\$ -	\$ 88,901	\$ 305,617	\$ 88,892
Compensated absences	377,455	-	23,965	353,490	-
Business-type activities Long-term obligations	<u>\$ 771,973</u>	<u>\$ -</u>	<u>\$ 112,866</u>	<u>\$ 659,107</u>	<u>\$ 88,892</u>

Total interest paid during the year on long-term debt totaled \$844,075.

General Obligation Debt

General obligation debt outstanding is detailed as follows:

General Obligation Bonds

\$3,220,000 issued 6/1/06; \$250,000 due in 2016, interest 4.0%	\$ 250,000
\$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 through 2023; interest .7% to 2.5%	2,580,000
\$1,755,000 issued 10/22/13; \$60,000 to \$115,000 due annually through 2033; interest 2.625% to 4.625%	1,555,000
\$1,735,000 issued 12/30/13; \$15,000 to \$190,000 due annually through 2025; interest 2.0% to 3.0%	1,690,000
\$1,620,000 issued 12/30/13; \$190,000 to \$285,000 due annually through 2021; interest 2.0% to 3.0%	1,545,000
\$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; \$25,000 to \$295,000 due annually through 2021; interest 2.0% to 3.0%	1,430,000
\$1,295,000 issued 9/9/14; \$640,000 to \$655,000 due in 2024 and 2025; interest 2.375% to 2.500%	1,295,000
\$1,100,000 issued 9/22/15; \$70,000 to \$520,000 due 2023 through 2025; interest 2.35% to 2.65%	1,100,000
\$985,000 issued 9/22/15; \$30,000 to \$130,000 due 2017 through 2025; interest 1.0% to 2.65%	985,000
Total General Obligation Bonds	<u>15,000,000</u>

(Continued)

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

General Obligation Notes

\$417,132 issued 11/14/05; \$21,496 to \$33,401 due annually through 2025; interest 5%	\$ 270,748
\$31,563 issued 1/31/06; \$1,610 to \$2,502 due annually through 2026; interest 5%	20,281
\$158,476 issued 5/11/06; \$7,369 to \$12,024 due annually through 2026; interest 5%	104,851
\$75,383 issued 9/21/06; \$3,725 to \$6,078 due annually through 2026; interest 5%	52,999
\$43,978 issued 2/11/10; \$5,091 to \$5,812 due annually through 2019; interest 4.50%	21,788
\$30,000 issued 8/24/10; \$3,124 to \$3,559 due annually through 2020; interest 4.50%	12,071
\$107,842 issued 8/19/11; \$22,659 due in 2016; interest 3.25%	22,659
\$52,000 issued 8/19/11; \$10,926 due in 2016; interest 3.25%	10,926
\$5,970 issued 8/19/11; \$1,254 due in 2016; interest 3.25%	1,254
\$22,197 issued 8/19/11; \$4,664 due in 2016; interest 3.25%	4,664
\$4,450 issued 8/19/11; \$428 to \$514 due annually through 2021; interest 3.75%	2,819
\$980 issued 8/19/11; \$94 to \$113 due annually through 2021; interest 3.75%	620
\$1,541 issued 8/19/11; \$148 to \$178 due annually through 2021; interest 3.75%	976
\$625 issued 8/19/11; \$60 to \$72 due annually through 2021; interest 3.75%	396
\$7,395 issued 8/19/11; \$710 to \$855 due annually through 2021; interest 3.75%	4,685
\$12,898 issued 8/19/11; \$1,239 to \$1,490 due annually through 2021; interest 3.75%	8,171
\$4,495 issued 8/19/11; \$430 to \$519 due annually through 2021; interest 3.75%	2,848
\$5,970 issued 8/19/11; \$579 to \$690 due annually through 2021; interest 3.75%	3,785
\$19,000 issued 11/2/11; \$1,900 due annually through 2020; interest 3.6%	11,400
\$26,820 issued 11/2/11; \$2,682 due annually through 2020; interest 3.6%	16,092
\$164,214 issued 11/2/11; \$16,421 due annually through 2020; interest 3.6%	98,528
\$75,000 issued 11/2/11; \$7,500 due annually through 2020; interest 3.6%	45,000
\$162,000 issued 11/2/11; \$16,200 due annually through 2020; interest 3.6%	97,200
\$163,848 issued 9/30/13; \$12,288 to \$16,384 due annually through 2023; non-interest bearing	126,981
\$35,343 issued 12/11/14; \$8,244 to \$9,301 due annually from 2016 through 2019; interest 3.00%	35,343
\$33,810 issued 12/11/14; \$7,886 to \$8,897 due annually from 2016 through 2019; interest 3.00%	33,810
\$77,478 issued 12/11/14; \$18,072 to \$20,390 due annually from 2016 through 2019; interest 3.00%	77,478
\$403,544 issued 1/2/14; \$80,709 due annually through 2018; interest 2.1%	242,059
\$98,000 issued 12/31/15; \$2,976 to \$7,099 due annually from 2017 through 2035; interest 3.75%	98,000
\$305,541 issued 12/31/15; \$149,647 and \$155,894 due in 2017 and 2018; respectively; interest 3.00%	305,541
	<hr/>
Total General Obligation Notes Payable	1,733,973
	<hr/>
Total General Obligation Debt	<u>\$ 16,733,973</u>

**CITY OF STURGEON BAY, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2015

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

Annual principal and interest maturities of the outstanding general obligation debt of \$16,733,973 on December 31, 2015 are detailed below:

Year Ended December 31	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,032,800	\$ 420,600	\$ 88,901	\$ 4,700	\$ 1,121,701	\$ 425,300
2017	1,180,300	405,200	88,901	3,000	1,269,201	408,200
2018	1,795,800	375,400	88,901	1,300	1,884,701	376,700
2019	1,127,100	336,400	8,192	-	1,135,292	336,400
2020	1,102,800	311,500	8,192	-	1,110,992	311,500
2021-2025	9,331,000	884,700	22,530	-	9,353,530	884,700
2026-2030	495,500	166,600	-	-	495,500	166,600
2031-2035	363,056	34,800	-	-	363,056	34,800
	<u>\$ 16,428,356</u>	<u>\$ 2,935,200</u>	<u>\$ 305,617</u>	<u>\$ 9,000</u>	<u>\$ 16,733,973</u>	<u>\$ 2,944,200</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 2015 was \$23,521,027 as follows:

Equalized valuation of the City	\$ 805,100,000
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	40,255,000
Total outstanding general obligation debt applicable to debt limitation	<u>(16,733,973)</u>
Legal Margin for New Debt	<u>\$ 23,521,027</u>

Taxable Note Anticipation Note

The City issued a \$3,120,000 taxable note anticipation note on June 9, 2015 that matures April 1, 2017 with an interest rate of 1.25%. The City intends to refinance this into general long-term obligation debt at maturity. Annual principal and interest maturities outstanding at December 31, 2015 are shown below:

Due	Governmental Activities		
	Principal	Interest	Total
2016	\$ -	\$ 39,000	\$ 39,000
2017	3,120,000	19,500	3,139,500
	<u>\$ 3,120,000</u>	<u>\$ 58,500</u>	<u>\$ 3,178,500</u>

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Lease Revenue Bonds

Annual principal and interest maturities of the outstanding lease revenue bonds of \$8,845,000 December 31, 2015 are shown below:

Due	Governmental Activities		
	Principal	Interest	Total
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	1,665,000	190,100	1,855,100
2020-2021	2,585,000	154,350	2,739,350
	<u>\$ 8,845,000</u>	<u>\$ 1,314,350</u>	<u>\$ 10,159,350</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.

7. Advance Refunding

In prior years, the City advance refunded \$1,335,000 of general obligation bond issues. As a result, the refunded notes are also considered to be defeased and the liability has been removed from the financial statements.

At December 31, 2015, \$1,335,000 of outstanding general obligation bonds are considered defeased.

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.

9. Pension Plan

a. Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. 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.

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.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

b. Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8%	3%
2007	3.0%	10%
2008	6.6%	0%
2009	(2.1)%	(42)%
2010	(1.3)%	22%
2011	(1.2)%	11%
2012	(7.0)%	(7)%
2013	(9.6)%	9%
2014	4.7%	25%

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

c. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, and 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.

During the reporting period, the WRS recognized \$479,941 in contributions from the City.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At December 31, 2015, the City reported an asset of \$1,204,517 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the City's proportion was 0.04903842%, which was a decrease of 0.0059352% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City recognized pension expense of \$477,170.

At December 31, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 174,618
Net differences between projected and actual earnings on pension plan investments	583,286
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,706
Employer contributions subsequent to the measurement date	477,273
Total	<u>\$ 1,254,883</u>

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

The \$477,273 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources
2016	\$ 177,286
2017	177,286
2018	177,286
2019	177,286
2020	68,466

e. Actuarial Assumption

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Asset:	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

\* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. The 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

*Single Discount Rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's proportionate share of the net pension asset to changes in the discount rate.* The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
City's proportionate share of the net pension asset (liability)	\$ (3,398,152)	\$ 1,204,517	\$ 4,839,520

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

f. Payable to the WRS

At December 31, 2015 the City reported a payable of \$97,600 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2015.

**CITY OF STURGEON BAY, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2015

**NOTE D - OTHER INFORMATION**

1. 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 3 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	\$ 6,398
Interest on net OPEB	7,923
Adjustment to annual required contribution	<u>(133,998)</u>
Annual OPEB cost (expense)	(119,677)
Contributions made	<u>(6,000)</u>
Change in net OPEB obligation	(125,677)
OPEB obligation - beginning of year	264,096
OPEB obligation - end of year	<u>\$ 138,419</u>

The annual required contribution for the current year was determined as part of the January 1, 2014 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 3.0% 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, 2015 is 30 years, and the remaining amount is \$22,769. 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 2014 and 2015 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/14	\$ (113,750)	-0.97%	\$ 264,096
12/31/15	(119,677)	-0.92%	138,419

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was \$22,769. The annual payroll for active employees covered by the plan for the 2015 fiscal year was \$5,580,253 for a ratio of the UAAL to covered payroll of .41%.

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, 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 3.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 6.4%, reduced by decrements to a rate of 5.4% after three years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

2. 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 2015, all WPPI members ratified an extension to their contracts. The current contract expires December 31, 2055.

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.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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 \$12.27 million in 2015.

3. 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.

4. 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, 2015 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	\$ 19,678,001	\$ (196,332)	\$ 17,790,562	\$ 880,004	\$ 1,203,767

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

5. 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.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

6. 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 2015 and 2016 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 2015 budget was .88%. The actual limit for the City for the 2016 budget was .69%. 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.

7. Cumulative Effect of Change in Accounting Principles

The City has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The cumulative effect of this change is summarized below:

Governmental Activities	Business-type Activities					Total
	Sewer Utility	Water Utility	Electric Utility	Solid Waste	Total	
Net Pension Asset	\$ 1,547,181	\$ 37,982	\$ 38,952	\$ 301,726	\$ 30,897	\$ 1,956,738
Deferred Outflows of Resources	378,671	9,348	9,864	74,562	7,495	479,940
Total Cumulative Effect of Change in Accounting Principle	\$ 1,925,852	\$ 47,330	\$ 48,816	\$ 376,288	\$ 38,392	\$ 2,436,678

8. Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also requires disclosures about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2015, the GASB issued two new standards addressing accounting and financial reporting for post-employment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. The City will, after adoption of GASB No. 75, recognize on the face of the financial statements its net OPEB liability. GASB No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB No. 75 is effective one year later. The City is currently evaluating the impact these standards will have on the financial statements when adopted.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF STURGEON BAY, WISCONSIN**  
 Schedule of Funding Progress  
 Other Post-employment Benefit Plan  
 For the Year Ended December 31, 2015

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
2014	-	22,769	0.0%	22,769	N/A	N/A

See Notes to Required Supplementary Information.

**CITY OF STURGEON BAY, WISCONSIN**  
 Schedule of Employer Contributions  
 Other Post-employment Benefit Plan  
 For the Year Ended December 31, 2015

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2013	\$ 13,000	\$ 103,660	12.5%
2014	11,000	8,049	136.7%
2015	6,000	6,398	93.8%

See Notes to Required Supplementary Information.

**CITY OF STURGEON BAY, WISCONSIN**  
 Schedule of Proportionate Share of the Net Pension Asset  
 Wisconsin Retirement System  
 Last 10 Fiscal Years\*

	2015
Proportion of the net pension asset	0.04903842%
Proportionate share of the net pension asset	\$ 1,204,517
Covered-employee payroll	\$ 5,350,151
Plan fiduciary net position as a percentage of the total pension asset	102.74%

\* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

**CITY OF STURGEON BAY, WISCONSIN**  
 Schedule of Contributions  
 Wisconsin Retirement System  
 Last 10 Fiscal Years\*

	2015
Contractually required contributions	\$ 479,941
Contributions in relation to the contractually required contributions	\$ 479,941
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 5,350,151
Contributions as a percentage of covered-employee payroll	8.97%

\* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

**CITY OF STURGEON BAY, WISCONSIN**  
Notes to Required Supplementary Information  
December 31, 2015

**NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71**

The City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – *An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available.

**NOTE B - WISCONSIN RETIREMENT SYSTEM**

There were no changes of benefit terms or assumptions for any participating employer in WRS.

**NOTE C - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 45**

The City implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" for the calendar year ended December 31, 2011, with retroactive adjustment for prior years.

**NOTE D - SCHEDULE OF FUNDING PROGRESS**

The 2014 actuarial study reflects changes in plan provisions which provide that future retirees will only receive benefits during the COBRA period. Accordingly, no GASB #45 liability is valued for future retirees.

## **SUPPLEMENTARY INFORMATION**

**CITY OF STURGEON BAY, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015

	Revolving Loan	Cable TV	TID No. 1	TID No. 3	TID No. 4	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 338,296	\$ 345,154	\$ 196,331	\$ 676,728	\$ 2,170,166	\$ 3,726,675
Receivables						
Taxes	-	-	583,377	23,338	-	606,715
Loans	545,981	-	-	-	-	545,981
<b>TOTAL ASSETS</b>	<u>\$ 884,277</u>	<u>\$ 345,154</u>	<u>\$ 779,708</u>	<u>\$ 700,066</u>	<u>\$ 2,170,166</u>	<u>\$ 4,879,371</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities						
Due to other funds	\$ 11,064	\$ -	\$ -	\$ 1,733	\$ 253,933	\$ 266,730
Deferred Inflows of Resources						
Property taxes	-	-	583,377	23,338	-	606,715
Loans receivable	545,981	-	-	-	-	545,981
Total Deferred Inflows of Resources	<u>545,981</u>	<u>-</u>	<u>583,377</u>	<u>23,338</u>	<u>-</u>	<u>1,152,696</u>
Fund Balances (Deficit)						
Restricted	-	-	196,331	674,995	1,916,233	2,787,559
Assigned	327,232	345,154	-	-	-	672,386
Total Fund Balances (Deficit)	<u>327,232</u>	<u>345,154</u>	<u>196,331</u>	<u>674,995</u>	<u>1,916,233</u>	<u>3,459,945</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 884,277</u>	<u>\$ 345,154</u>	<u>\$ 779,708</u>	<u>\$ 700,066</u>	<u>\$ 2,170,166</u>	<u>\$ 4,879,371</u>

**CITY OF STURGEON BAY, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2015

	Revolving Loan	Cable TV	TID No. 1	TID No. 3	TID No. 4	Total Nonmajor Governmental Funds
<b>Revenues</b>						
Taxes						
General property taxes	\$ -	\$ -	\$ 537,454	\$ 33,138	\$ -	\$ 570,592
Intergovernmental	-	-	23,107	-	35	23,142
Licenses and permits	-	137,710	-	-	-	137,710
Interest	18,321	-	500	-	-	18,821
Miscellaneous	221,495	60	-	872	2,412	224,839
<b>Total Revenues</b>	<b>239,816</b>	<b>137,770</b>	<b>561,061</b>	<b>34,010</b>	<b>2,447</b>	<b>975,104</b>
<b>Expenditures</b>						
Current						
Development	162,015	68,615	-	2,392	527,590	760,612
Debt service						
Principal	-	-	-	100,000	-	100,000
Interest and fiscal charges	-	-	-	60,251	12,458	72,709
Capital outlay	-	25,567	-	15,150	91,876	132,593
<b>Total Expenditures</b>	<b>162,015</b>	<b>94,182</b>	<b>-</b>	<b>177,793</b>	<b>631,924</b>	<b>1,065,914</b>
<b>Excess of Revenues Over (Under)</b>	<b>77,801</b>	<b>43,588</b>	<b>561,061</b>	<b>(143,783)</b>	<b>(629,477)</b>	<b>(90,810)</b>
<b>Other Financing Sources (Uses)</b>						
Long-term debt issued	-	-	-	-	3,120,000	3,120,000
Capital leases	-	-	-	-	1,934	1,934
Sale of capital assets	-	-	-	60,000	-	60,000
Transfers in	-	-	-	144,063	-	144,063
Transfers out	(11,065)	(4,500)	(537,454)	-	-	(553,019)
<b>Total Other Financing Sources (Uses)</b>	<b>(11,065)</b>	<b>(4,500)</b>	<b>(537,454)</b>	<b>204,063</b>	<b>3,121,934</b>	<b>2,772,978</b>
<b>Net Change in Fund Balances</b>	<b>66,736</b>	<b>39,088</b>	<b>23,607</b>	<b>60,280</b>	<b>2,492,457</b>	<b>2,682,168</b>
<b>Fund Balances (Deficit) - January 1</b>	<b>260,496</b>	<b>306,066</b>	<b>172,724</b>	<b>614,715</b>	<b>(576,224)</b>	<b>777,777</b>
<b>Fund Balances - December 31</b>	<b>\$ 327,232</b>	<b>\$ 345,154</b>	<b>\$ 196,331</b>	<b>\$ 674,995</b>	<b>\$ 1,916,233</b>	<b>\$ 3,459,945</b>

***THIS PAGE LEFT BLANK INTENTIONALLY***

**CITY OF STURGEON BAY, WISCONSIN**  
 General Fund  
 Detailed Comparison of Revenues - Budget and Actual -  
 General Fund  
 For the Year Ended December 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Taxes</b>				
General property	\$ 5,264,786	\$ 5,264,786	\$ 5,265,031	\$ 245
Retained sales tax	120	120	124	4
Payment in lieu of taxes				
Housing authority	19,490	19,490	19,488	(2)
Mobile home	64,600	64,600	69,475	4,875
Interest on taxes	700	700	1,069	369
Room taxes	150,000	150,000	195,681	45,681
<b>Total Taxes</b>	<b>5,499,696</b>	<b>5,499,696</b>	<b>5,550,868</b>	<b>51,172</b>
<b>Intergovernmental</b>				
<b>State</b>				
State shared taxes	915,270	915,270	912,543	(2,727)
State highway aid	466,345	466,345	486,642	20,297
Law enforcement	13,150	13,150	13,133	(17)
Fire insurance dues	29,000	29,000	30,195	1,195
Municipal services	5,375	5,375	5,242	(133)
Computer aid	22,000	22,000	23,510	1,510
DNR - aids in lieu of taxes	1,950	1,950	2,035	85
DNR - marine patrol	3,520	3,520	3,580	60
Park grants	-	-	3,020	3,020
<b>Total Intergovernmental</b>	<b>1,456,610</b>	<b>1,456,610</b>	<b>1,479,900</b>	<b>23,290</b>
<b>Licenses and Permits</b>				
State seal	350	350	455	105
Liquor and malt beverages	29,000	29,000	29,232	232
Cigarette licenses	2,250	2,250	2,100	(150)
Animal licenses	400	400	375	(25)
Operator's licenses	2,800	2,800	4,355	1,555
Sundry licenses and permits	2,650	2,650	2,883	233
Building permits	30,500	30,500	42,306	11,806
Plumbing and electrical permits and licenses	20,360	20,360	34,836	14,476
Sign permits	4,800	4,800	5,370	570
Miscellaneous fees and permits	22,180	22,180	29,933	7,753
<b>Total Licenses and Permits</b>	<b>115,290</b>	<b>115,290</b>	<b>151,845</b>	<b>36,555</b>
<b>Fines and Forfeits</b>				
Court fines and penalties	50,000	50,000	53,998	3,998

(Continued)

**CITY OF STURGEON BAY, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Revenues - Budget and Actual -**  
**General Fund (Continued)**  
**For the Year Ended December 31, 2015**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Public Charges for Services</b>				
Special assessment letter fee	1,800	1,800	2,790	990
Recreation	147,880	147,880	163,193	15,313
Mooring fees	14,000	14,000	14,192	192
Sanitation services	7,200	7,200	7,999	799
Weights and measures	6,000	6,000	6,129	129
Street department	6,800	6,800	25,687	18,887
Weed control	15,400	15,400	7,245	(8,155)
<b>Total Public Charges for Services</b>	<b>199,080</b>	<b>199,080</b>	<b>227,235</b>	<b>28,155</b>
<b>Intergovernmental Charges for Services</b>				
Fire department fees	464,110	464,110	464,112	2
<b>Commercial</b>				
Rent from commercial property	31,660	31,660	31,702	42
<b>Miscellaneous</b>				
Interest	7,000	7,000	10,692	3,692
Interest on special assessments	185	185	131	(54)
Insurance dividends	-	-	46,682	46,682
Private grants	15,000	15,000	22,959	7,959
Miscellaneous	17,100	17,100	50,407	33,307
<b>Total Miscellaneous</b>	<b>39,285</b>	<b>39,285</b>	<b>130,871</b>	<b>91,586</b>
<b>Total Revenues</b>	<b>\$ 7,855,731</b>	<b>\$ 7,855,731</b>	<b>\$ 8,090,531</b>	<b>\$ 234,800</b>

**CITY OF STURGEON BAY, WISCONSIN**  
 General Fund  
 Detailed Comparison of Expenditures - Budget and Actual -  
 General Fund  
 For the Year Ended December 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government				
City council	\$ 56,885	\$ 56,885	\$ 68,373	\$ (11,488)
Board of review	1,520	1,520	839	681
Mayor	12,540	12,540	12,347	193
City administrator	138,846	138,846	163,288	(24,442)
Clerk-treasurer	340,177	340,177	324,742	15,435
Municipal services administration	198,340	198,340	232,598	(34,258)
Elections	11,502	11,502	9,398	2,104
Telephone	7,500	7,500	5,976	1,524
Postage	10,200	10,200	10,499	(299)
Assessment of property	94,538	94,538	87,067	7,471
Audit	17,600	17,600	17,200	400
Legal	45,000	45,000	42,832	2,168
Special counsel	10,000	10,000	4,176	5,824
City hall	143,842	143,842	132,641	11,201
Property and liability insurance	351,955	351,955	361,972	(10,017)
Unemployment compensation	7,500	7,500	264	7,236
Life insurance	11,000	11,000	9,615	1,385
Family assistance program	2,000	2,000	1,810	190
Publication	6,500	6,500	10,077	(3,577)
Computer	53,900	53,900	51,153	2,747
Contingency	1,441,780	1,441,780	5,700	1,436,080
Maintenance of commercial property	6,000	6,000	4,663	1,337
Building maintenance	75,000	75,000	54,997	20,003
Miscellaneous	23,595	23,595	36,448	(12,853)
Total General Government	3,067,720	3,067,720	1,648,675	1,419,045
Public Safety				
Police department	2,279,940	2,279,940	2,252,625	27,315
Police department uniform allowance	900	900	893	7
Building inspector	57,735	57,735	83,848	(26,113)
Parking enforcement	-	-	17	(17)
Fire department	1,609,645	1,609,645	1,617,669	(8,024)
Fire department uniform allowance	12,550	12,550	12,526	24
Hydrant rental	120,000	120,000	117,916	2,084
Total Public Safety	4,080,770	4,080,770	4,085,494	(4,724)

(Continued)

**CITY OF STURGEON BAY, WISCONSIN**  
 General Fund  
 Detailed Comparison of Expenditures- Budget and Actual -  
 General Fund  
 For the Year Ended December 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Public Works</b>				
Transportation				
Public works administration	228,324	228,324	229,047	(723)
Street machinery	96,006	96,006	95,670	336
Garage	59,044	59,044	56,476	2,568
Gas and oil	85,250	85,250	46,031	39,219
Storm sewer	32,549	32,549	24,045	8,504
Curb and gutter	14,935	14,935	20,415	(5,480)
Roadway of streets	162,230	162,230	158,268	3,962
Street sweeping	35,126	35,125	30,531	4,594
Snow and ice removal	197,790	197,790	124,122	73,668
Street lighting	200,140	200,140	174,802	25,338
Street signs and markings	47,213	47,213	48,079	(866)
Highways	311,113	311,114	248,654	62,460
Sanitation				
Garbage and refuse collection	49,550	49,550	54,575	(5,025)
Solid waste site	31,470	31,470	24,915	6,555
Weed control	6,860	6,860	5,781	1,079
<b>Total Public Works</b>	<b>1,557,600</b>	<b>1,557,600</b>	<b>1,341,411</b>	<b>216,189</b>
<b>Culture and Recreation</b>				
Library	79,150	79,150	73,986	5,164
Celebration and entertainment	45,230	45,230	45,790	(560)
Recreation	109,755	109,755	108,884	871
Municipal dock	44,740	44,740	41,675	3,065
Parks and playground	412,925	412,925	369,995	42,930
Ball fields	31,705	31,705	24,971	6,734
Ice rinks	7,425	7,425	9,747	(2,322)
Beaches	2,295	2,295	-	2,295
Water weed cutting	97,895	97,895	66,299	31,596
<b>Total Culture and Recreation</b>	<b>831,120</b>	<b>831,120</b>	<b>741,347</b>	<b>89,773</b>
<b>Development</b>				
Community development	365,580	365,580	286,249	79,331
Waterfront parks and walkways	61,220	61,220	75,124	(13,904)
Development zone administration	25,000	25,000	25,000	-
<b>Total Development</b>	<b>451,800</b>	<b>451,800</b>	<b>386,373</b>	<b>65,427</b>
<b>Debt Service</b>				
Principal retirement	514,770	514,770	327,694	187,076
Interest and fiscal charges	118,200	118,200	75,244	42,956
<b>Total Debt Service</b>	<b>632,970</b>	<b>632,970</b>	<b>402,938</b>	<b>230,032</b>
<b>Total Expenditures</b>	<b>\$ 10,621,980</b>	<b>\$ 10,621,980</b>	<b>\$ 8,606,238</b>	<b>\$ 2,015,742</b>

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



**Schenck**

CPAs AND SO MUCH MORE.

**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 Council  
City of 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, 2015, 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 which included an emphasis of matter paragraph as indicated on page 2 dated May 18, 2016.

**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 2014-001 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 from 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 Finding

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  
May 18, 2016

**CITY OF STURGEON BAY, WISCONSIN**  
 Schedule of Findings and Responses  
 For the Year Ended December 31, 2015

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

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

**2014-001      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. For the same reasons, the City contracts with us to compile the Wisconsin Municipal Financial Report Form C.

**Criteria:** The preparation and review of the annual financial report and municipal 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 or other required State Financial reports.

**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 and municipal 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, 2015.