ATTACHMENTS

Strategic Plan
2019 Action Items and Critical Measurements

1/1/2019 to 3/31/2019

Blue denotes Benchmark achieved

	Quality of Life - Action Items	Assigned Department	Start Date	Actual/Target Completion Date	Resources	Percentage of Completion	Status
1	Expand and enhance Fire / EMS staff training	Fire	1/1/2018	Ongoing		100%	Training program plan complete
2	Continue youth and adult enrichment classes / events	Library	1/1/2018	Ongoing		7%	2019 = Programs ongoing
3	Increase dedicated patron programming areas within the Mead Public Library facility	Library	1/1/2019	12/31/2021		7%	2019 = Renovations continue
4	Establish action plan / mission statement / goals for Sheboygan For All community initiative	Senior Activity Center	1/1/2019	12/31/2019	All Departments	25%	March 2019 = Mission and Vision statements completed
5	Continue engagement of SAC participants in multi-generational community activities	Senior Activity Center	1/1/2018	Ongoing	All Departments	100%	2018-Survey and listening sessions complete
6	Complete adequacy study of Senior Activity Center building	Public Works	1/1/2018	12/31/2020		25%	March 2019 = ADA facility audit complete
7	Maintain park equipment replacement schedule	Public Works	1/1/2018	Ongoing	Parks / Forestry staff	100%	Tracking document completed. Facility upgrades based on document.
8	Continue development of Shaw Family inclusive playground	Public Works	1/1/2018	5/1/2019	Parks / Forestry staff	80%	2018 - Playground opening
9	Construct ADA compliant canoe / kayak launch at Kiwanis Park	Public Works	1/1/2018	5/1/2019`	Parks / Forestry staff	90%	2019 - complete landscaping, 2018 - Launch complete.
10	Increase community volunteer partnerships to improve city beautification projects	Public Works/Mayor	6/1/2018	Ongoing		50%	Adopt-A-Park program
11	Become a bike-friendly city	City Plan/Mayor	4/1/2017	12/1/2018		100%	2018 = earned Bronze award recognition
12	Coordinate with Sheboygan County for south side utility corridor bike path	Public Works	4/1/2017	11/30/2020	Sheboygan County	50%	2020 = Revised project following November 2017 Council vote
13	Continue to hold Tree City USA designation	Public Works	1/1/1978	Ongoing	Parks / Forestry staff	25%	April 26 = Arbor Day celebration, December 2019 Tree City application due
14	Continue replacement of trees lost to emerald ash borer infestation	Public Works	1/1/2018	Ongoing	Parks / Forestry staff	50%	Spring 2019 = Tree planting begins
15	Maintain neighborhood beat officer positions	Police	1/1/2017	Ongoing	Beat officer grant	100%	2019 grant funding secured
16	Fire response compliance percentage (NFRIS standard 380 seconds)	Fire	91%	90%		101%	2018 = 89%, 2017 = 83%, 2016 = 79% , 2015 = 81%

	Quality of Life - Critical Measurements	Assigned Department	2019 Actual	2019 Benchmark		Percentage	Notes
17	EMS response compliance percentage (NFRIS standard 360 seconds)	Fire	N/A	90%		0%	2019 and 2018 = Statistical tracking method change in process, 2017 = 78%, 2016 = 79%, 2015 = 81%
18	Improve ISO rating from 2 to 1	Fire	2	1		0%	2018 review = no change
19	Total Fire / EMS staff training hours	Fire	1,610 / 764	8,000 / 1,800		20% / 42%	2018 = 8,040 / 1,868
20	Residents who feel safe or very safe walking in their neighborhood after dark	Police	69%	80%		86%	2019 Community Survey data = 69%, 2016 Survey = 58%
21	Part 1 crime rate - violent crimes / per 1,000	Police	0.77 per 1,000	2.70 per 1,000		29%	2018 = 3.24, 2017 = 2.40
22	Part 1 crime rate - property crimes / per 1,000	Police	3.10 per 1,000	22.25 per 1,000		14%	2018 = 16.70, 2017 = 17.10
23	Number of High Visibility Education and Enforcement traffic safety related deployments	Police	3	7		43%	2018 = 9, 2017 = 6
24	Pounds of prescription drugs collected	Police	215	1,200	Collected 2nd & 4th quarter	18%	2018 = 1,898, 2017 = 1,193
25	Number of joint projects with Sheboygan Area School District	Various	7	6		117%	Beach education program, Fire safety program, Protective service career pathways, Transit contract
26	Number of neighborhood associations on the Mayor's Leadership Cabinet	City Plan/Mayor	9	9		100%	2019 = End and Franklin Park associations considering organization, 2018 = 9 Neighborhood Associations represented
27	Number of neighborhood meetings	City Plan/Police	15	70		21%	2018 = 75
28	Walkability score	City Plan	0	88		0%	2019 = Determined during third quarter, 2018 = 88, 2017 = 86
29	Additional trails created annually	City Plan/Public Works	0.00	0.00		0%	Fall 2019 south side trail completion
30	Number of community partnership participants (Adopt-A-Park / Adopt-A-Trail)	City Plan/Public Works	0	2		0%	2019 = 2 pending adoptions, 2018 = 3 adoptions
31	Increase Sheboygan For All community information usage on social media	Mayor/SAC	0	0		25%	April 2019 = Action plan review
32	Number of Senior Activity Center joint projects with community partners	SAC	3	4		75%	JMKAC, SASD, YPN

	Quality of Life - Critical Measurements - continued	***Assigned Department***	***2019 Actual***	***2019 Benchmark***		***Percentage***	***Notes***
33	Number of youth enrichment classes / events held	Library	197	700		28%	2018 = 786
34	Number of adult enrichment classes / events held	Library	138	400		35%	2018 = 431
35	Number of literacy / citizenship / public events held	Library	100	100		100%	2018 = 110
36	Number of internet sessions used by residents	Library	50,130	200,000		25%	2018 = 227,205
37	Number of square feet of library building improvements	Library	0	22,000		0%	2019 = Flooring and HVAC improvements per CIP
38	Increase Shoreline Metro & Metro Connection annual ridership	Transit	166,667 / 8,390	600,000/4,000		28% / 25%	2018 = 599,714 / 34,658, 2017 = 529,729 / 35,589
39	Shoreline Metro passenger surveys conducted by Shoreline Metro and Bay-Lake RPC	Transit	0	677		25%	2019 = Bay-Lake RPC conducting survey
40	Trips per revenue mile - Shoreline Metro fixed route	Transit	18.06	15.00		120%	2018 = 15.38
41	Trips per revenue mile - Metro Connection	Transit	2.74	2.75		99%	2018 = 2.72
42	Number of curb miles of streets swept	Public Works	214	5,000		4%	2018 = 5,069
43	Percent of graffiti removed from city facilities within 3 days of notification	Police/Public Works	0%	100%		0%	2019 = No graffiti, 2018 = 100%, 2017 = 75%
44	Number of years holding the Tree City USA designation	Public Works	41	41		100%	December application submission; 2019 = 41 years (since 1978)
45	Number of street trees planted	Public Works	0	517		0%	2019 = Quarter 2 and 3 planting, 2018 = 25, 2017 = 448

Infrastructure and Public Facilities

	Infrastructure and Public Facilities - Action Items	Assigned Department	Start Date	Actual/Target Completion Date	Resources	Percentage of Completion	Status
46	Replace 3 fixed route buses	Transit	1/2/2019	1/1/2020	Federal grant funding	60%	2019 = 3 of 5 buses received
47	Replace 3 fixed route buses and 2 paratransit buses	Transit	1/1/2020	1/1/2021	Federal grant funding	0%	2020 project
48	Implement a safety management system	Transit	1/1/2019	12/31/2019		10%	Working with WisDOT and FTA to create management plan
49	Refurbish alley between North 8th Street and the parking lot east of the Shoreline Metro Transfer Station	City Plan/Parking/ Public Works	6/2/2017	6/1/2019	Sheboygan Visual Arts	25%	2018 = Partnership established with SVA
50	Manage City Hall renovation process for creation of safer, functional space for residents/employees	Public Works	6/1/2018	6/1/2019		80%	June 2019 completion
51	Continue sanitary sewer rehabilitation program	Public Works	6/15/2019	10/1/2019		0%	2019 = 2nd/3rd Quarter project, 2018 = 8,665 linear feet
52	Complete resurfacing of 3 city streets per year leveraging local, state and federal funding	Public Works	5/1/2019	11/1/2019		0%	2019 = 2nd/3rd Quarter project, 2018 = 7.20 miles
53	Develop city-wide long term storm water management program	Public Works	5/2/2018	5/21/2019		40%	Under contract with Strand
54	Secure agreement with local soccer organization for future sports complex on Butzen property	Public Works	Summer 2018	Summer 2019		0%	Discussions continue
55	Begin construction of Butzen Sports Complex - Phase 1	Public Works	Summer 2020	Summer 2021		0%	2020 project
56	Continue implementation of Sheboygan A's complex improvements	Public Works	Fall 2018	Fall 2019		98%	2019 = Decking and landscaping to be be completed, 2018 = Lighting complete
57	Continue funding emerald ash borer tree replacement program	Public Works	6/1/2017	Ongoing		0%	June 2019 = 800 trees treated with $176,000 CDBG funding
58	Implement information technology plan recommendations	Information Technology	1/1/2020	12/31/2021		25%	2019 - Data center construction continues

	Infrastructure and Public Facilities - Critical Measurements	Assigned Department	2019 Actual	2019 Benchmark		Percentage	Notes
59	Transit accident percentage per state report	Transit	12	30		40%	2019 Target = less than 30 reportable accidents / incidents
60	City Hall renovation percentage of completion	Public Works	80%	100%		80%	June 2019 = Completion

	Infrastructure and Public Facilities - Critical Measurements- continued	***Assigned Department***	***2019 Actual***	***2019 Benchmark***		***Percentage***	***Notes***
61	Linear feet of sanitary sewer relining complete	Public Works	0	8,700		0%	2019 = 2nd and 3rd Quarter project, 2018 = 8,665, 2017 = 11,092
62	Linear miles of street resurfaced	Public Works	0.00	6.25		0%	2019 = 2nd and 3rd quarter, 2018 = 7.20 miles, 2017 = 6.25 miles
63	Pavement rating	Public Works	0.00	6.25		0%	2019 = rating assigned during Quarter 3, 2017 = 5.90, 2015 = 5.93 (2 year rating)
64	Number of street trees planted	Public Works	0	500		0%	2019 = Planting 517 trees in Quarter 2 and 3 using $176,000 CDBG funding, 2018 = 25, 2017 = 448

	Economic Development						
	Economic Development - Action Items	**Assigned Department**	**Start Date**	**Actual/Target Completion Date**	**Resources**	**Percentage of Completion**	**Status**
65	Continue with VisitSheboygan on recreational programming for City Green	City Plan	1/1/2018	Ongoing		25%	Partnered with Visit Sheboygan as lead entity
66	Construct recreational trail parallel to Indiana Avenue (South 9th Street to South 14th Street)	City Plan	5/1/2020	11/1/2020		0%	2020 project
67	Purchase real estate to extend recreational trail parallel to Indiana Avenue	City Plan	1/1/2020	12/31/2020		0%	2020 project
68	Continue annual developers summit	City Plan	1/10/2017	Ongoing		10%	2019 = Fall event
69	Coordinate new development on city-owned redevelopment sites	City Plan	6/1/2017	Ongoing		10%	2019 = Seeking business occupants
70	Continue work with existing businesses promoting future expansion	City Plan	5/1/2018	Ongoing		10%	2019 = Seeking business expansion
71	Market infill development sites along Indiana Avenue	City Plan	5/1/2018	Ongoing		10%	2019 = Working with developer in 1st building
72	Transform former Koepsell property into Innovation District	City Plan	5/1/2018	Ongoing	SCEDC	15%	2019 = project continues
73	Leverage arts / culture streetscape to connect downtown to JMKAC Art Preserve development	City Plan/Public Works	1/1/2020	12/31/2021		0%	2020 project
74	Market and develop up to 10 acres in SouthPointe Enterprise Campus	City Plan	6/1/2017	Ongoing		10%	2019 = Seeking business occupants
75	Develop master plan for Mayline / west Sheboygan River district development	City Plan	1/1/2019	12/31/2019	CDBG	2%	2019 = Under contract with Graef
76	Analysis of current housing stock (including condos) to establish future housing needs	City Plan	1/1/2020	12/31/2020		0%	2020 project
	Economic Development – Critical Measurements	**Assigned Department**	**2019 Actual**	**2019 Benchmark**		**Percentage**	**Notes**
77	Amount of room tax generated	Finance	$738,031	$550,000		134%	2018 = $738,037(Quarter 4 includes Blue Harbor); 2017 total = $585,975 (excluding Blue Harbor)
78	Valuation of property with Tax Incremental Districts	Finance	$0	$154,000,000		0%	2019 = Available Quarter 4, 2018 = $154,240,200, 2017 = $130,881,800
79	Percent change of equalized property valuation (all property)	Finance	0.00%	7.00%		0%	2019 = Available Quarter 4, 2018 = 7.00%, 2017 = 7.00%
80	Value of industrial property	Finance	$0	$188,903,300		0%	2019 = Available Quarter 4, 2018 = $188,903,300, 2017 = $186,609,500

	Economic Development – Critical Measurements - continued	***Assigned Department***	***2019 Actual***	***2019 Benchmark***		***Percentage***	***Notes***
81	Number of new hotel rooms constructed	City Plan	0	100		25%	2019 = 100 rooms under construction
82	Number of jobs retained via city-based finance	City Plan	0	15		0%	2019 - 3 pending, 2018 = 29, 2017 = 3
83	Vacancy rate of industrial buildings	City Plan	0.00%	5.20%		0%	2019 = Available Quarter 4, 2018 = 5.20%, 2017 = 4.40%
84	Square feet of industrial property (construction commenced)	City Plan	0	40,000		0%	2018 = 27,839, 2017 = 37,400
85	Acreage of new industrial sites created	City Plan	0	15		0%	2018 = 35, 2017 = 88
86	Number of new businesses	City Plan	2	10		20%	2019 = Greek Corner Restaurant, Main Street Boutique, 2018 = 12, 2017 = 15
87	Number of new residential units (construction commenced)	City Plan	184	80		230%	2018 = 99, 2017 = 133
88	Amount of new construction	City Plan	$0	$50,000,000		0%	2018 = $61,326,304, 2017 = $94,843,900
89	Annual ridership on the trolley	Transit	0	4,000		0%	2019 = Begins Quarter 2, 2018 = 4,360, 2017 = 3,327
90	Dollars spent per parking stall in the parking utility jurisdiction	Parking	$0	$200		0%	2018 = $192

	Neighborhood Revitalization						
	Neighborhood Revitalization - Action Items	***Assigned Department***	***Start Date***	***Actual/Target Completion Date***	***Resources***	***Percentage of Completion***	***Status***
91	Continue development of baseline data in targeted neighborhoods	City Plan	1/1/2017	Ongoing	CDBG funding	50%	Mapping efforts continue
92	Make necessary public infrastructure improvements in at-risk neighborhoods	City Plan/Police/ Public Works	1/1/2017	Ongoing		0%	Projects to be completed per 2019 Capital Improvements Program
93	Continue expansion of the number of neighborhood associations	City Plan/Police	1/1/2017	Ongoing		10%	2019 = End and Franklin Park under consideration, 2018 = 9 total associations, 2017 = 7 total associations
94	Create neighborhood development plans for 3 official neighborhood associations	City Plan	1/1/2019	12/31/2020		0%	2018 = 2 association plans created
95	Continue neighborhood association grant program with city funds	City Plan	1/1/2017	Ongoing	CDBG funding	2%	2017 / 2018 = $10,000 CBDG funding
96	Maintain neighborhood beat officer positions	Police	1/1/2016	Ongoing	State grant funding	100%	2019 = Funding secured
97	Organize annual spring clean-up event in partnership with Public Works	City Plan/Public Works	5/1/2018	6/30/2019		75%	May 2019 event.
98	Continue north / south side neighborhood revitalization events	City Plan/Public Works	6/1/2017	Ongoing	City staff, community partners	50%	Rock the Block events
99	Continue to address street lighting issues in neighborhoods	City Plan/Police/ Public Works	1/1/2017	Ongoing	CDBG funding, community partners	50%	Annual Light the Night event, Public Works tree trimming program
100	Continue monthly interdepartmental staff meetings to coordinate neighborhood issues	Various	1/17/2017	Ongoing		25%	12 annual meetings
101	Develop analysis / management plan for blighted properties in key business corridors	City Plan	1/1/2020	12/31/2020		10%	2019 = Graef master plan update
102	Promote city's housing funding programs to qualified homeowners for improvements	City Plan	1/1/2017	Ongoing		25%	Communication via code enforcement orders / Lakeshore Landlord Association newsletter
103	Advance relationships with Lakeshore Landlord Association	City Plan	1/1/2017	Ongoing		20%	2019 = hosted Fair Housing Training and provided Code Enforcement program to Landlord Association. Representative attends monthly neighborhood revitalization meetings

2019 Action Items and Critical Measurements

	Neighborhood Revitalization – Critical Measurements	***Assigned Department***	***2019 Actual***	***2019 Benchmark***		***Percentage***	***Notes***
104	Number of new neighborhood associations	City Plan/Police	0	2		10%	2018 = 3 associations; 2017 = 2 associations
105	Number of housing loans issued	City Plan	0	10		0%	2018 = 8, 2017 = 7
106	Number of added affordable units	City Plan	0	50		0%	2018 = 2 (Habitat for Humanity), 2017 = 42 (Washington School)
107	Number of code enforcement orders issued	City Plan	193	1,000		19%	2018 = 866, 2017 = 1,234
108	Number of abandoned vehicles towed	Police	34	86		40%	2018 = 136, 2017 = 83
109	Number of garbage complaints investigated / cited	Police/City Plan	98	300		33%	2018 = 543, 2017 = 820

	Governing and Fiscal Management						
	Governing and Fiscal Management - Action Items	**Assigned Department**	**Start Date**	**Actual/Target Completion Date**	**Resources**	**Percentage of Completion**	**Status**
110	Reduce the number of legacy computer applications	Information Technology	1/1/2019	12/31/2020		0%	2019 = Identifying priority list
111	Enhance cybersecurity	Information Technology	6/1/2017	Ongoing		10%	2019 = Reviewing / addressing security audit issues
112	Support employee recognition team recommendations	Human Resources	7/1/2016	Ongoing	Employee Recognition Committee	60%	2018 = Inaugural Employee Recognition event
113	Develop a succession plan for all management positions	Human Resources	6/1/2018	12/31/2019	CVMIC resources	100%	2018 = 2nd planning workshop
114	Continue and enhance employee picnics, socials and special events	Mayor	7/1/2016	Ongoing		0%	2018 = Updated employee picnic
115	Continue quarterly employee newsletter	Mayor	7/1/2015	Ongoing		25%	Published 1 of 4 employee newsletters
116	Conduct a transit transportation development program for the next 5 years	Transit	11/1/2017	12/31/2019	Bay-Lake RPC	30%	2018 = Initial work commenced
117	Continue providing detailed budget documents to residents and submit to GFOA for review	City Admin/Finance	1/1/2019	1/29/2019		100%	2019 Budget submitted
118	Continue providing detailed audit documents to residents and submit to GFOA for review	City Admin/Finance	5/1/19	7/1/19		0%	2018 = CAFR /PAFR award earned
	Governing and Fiscal Management – Critical Measurements	**Assigned Department**	**2019 Actual**	**2019 Benchmark**		**Percentage**	**Notes**
119	Number of legacy applications retired	Information Technology	0	3		0%	2019 = Identifying priority list
120	Number of SANS top 20 security measures implemented	Information Technology	0	7		0%	2019 = Identified / addressing 7 critical security controls
121	Number of MUNIS software modules implemented	Information Technology	25	26		75%	2019 = Salary/Benefit module implementation, 2018 = 25 modules implemented
122	Unassigned fund balance as a percentage of revenues	Finance	0%	30%		0%	2019 = Determined after audit completion, 2018 = 52%, 2017 = 49%, 2016 = 58%
123	Moody's Investor Service bond rating for Sheboygan	Finance	TBD	Aa2		0%	6/14/2018 rating confirmed

Communication

	Communication - Action Items	Assigned Department	Start Date	Completion Date	Resources	Percentage of Completion	Status
124	Expand offering of Fire Department community events	Fire	1/1/2018	Ongoing		100%	2019 = Event planning complete
125	Continue home fire safety programs for students grades Kindergarten through Fourth	Fire	1/1/2018	Ongoing	SASD	50%	Collaborative events with SASD
126	Engage the community in Sheboygan For All community initiative	Senior Activity Center	1/1/2018	Ongoing	AARP	50%	2019 - Formulating work plan based on 2018 listening sessions
127	Increase Sheboygan For All community information on social media	Senior Activity Center	1/1/2018	Ongoing	AARP	10%	2019 = Communication identified as Step 1 in Action Plan
128	Continue monthly electronic community newsletter	Mayor	2/3/2017	Ongoing		25%	12 newsletters published annually
129	Continue annual community survey	City Admin	6/1/2016	Ongoing	AARP	100%	2019 Community Survey completed November 2018 per AARP timeline
130	Increase the number of community survey responses	City Admin	1/1/2019	Ongoing	AARP	100%	7% increase in survey responses
131	Enable transparent government	City Admin	1/1/2019	Ongoing	ClearGov	25%	Support comparative benchmarking efforts
132	Enable citizen engagement	City Admin	1/1/2019	Ongoing		25%	Livable Sheboygan For All, Communication Task Force, Police Citizens Academy
133	Develop internal communication plan that is shared with employees	Mayor	10/1/2018	12/31/2019	Community partners	25%	February 2019 - Communication Task Force formed

	Communication – Critical Measurements	Assigned Department	2019 Actual	2019 Benchmark		Percentage	Notes
134	Number of followers on all city departments' Twitter accounts	City Plan/Police/ Library	9,611	9,300		103%	Police = 5,320; MPL = 744; City = 3,200, WSCS=347
135	Number of users on Nextdoor	City Plan	4,702	4,200		120%	2019 = 17% of 27,335 households in city
136	Number of "likes" on all City's Facebook accounts	City Plan/Police/ Transit/Water Utility/Cable/ Senior Activity Center	17,482	16,200		108%	Police = 10,800; MPL = 3,862; Transit = 867; SAC = 509; WSCS = 387; WU = 272; City = 785

	Communication – Critical Measurements - continued	Assigned Department	2019 Actual	2019 Benchmark		Percentage	Notes
137	Number of PSA's produced by WSCS Cable TV	Information Technology	0	600		0%	PSA's under development
138	Number of televised Common Council and Committee of the Whole meetings	Information Technology	6	29		21%	2018 = 29, 2017 = 29
139	Number of appearances on Hmong radio station	Mayor	0	6		0%	2018 = 5, 2017 = 6
140	Number of Nixle contacts	Police	2,157	2,000		108%	
141	Number of followers on Mead Public Library Instagram	Library	525	450		117%	2018 = 459, 2017 = 189
142	Number of Sheboygan For All - 2019 Community Survey responses	Senior Activity Center	1,277	1,100		116%	2019 = 1,277, 2018 = 1,187
143	Number of programs / events addressing Age Friendly / Livable Community initiative	Senior Activity Center	0	6	All Departments	0%	Livable Sheboygan for All Task Force outlining communication plan
144	Fire Department community events	Fire	6	18		33%	2019 = Quarter 1 Special Olympics, station tours, Life Safety award ceremony, Fire Safety speech - St. Peter Claver, James Madison PTO Family Night
145	Number of home fire safety programs for students grades Kindergarten through Fourth	Fire	0	170		0%	2019 = October Fire Prevention education
146	Number of students participating in fire safety programs	Fire	0	3,200		0%	2019 = October Fire Prevention education

Strategic Plan 2017 - 2021

City of Sheboygan
spirit on the lake.

Six Focus Areas

1. Quality of Life
2. Infrastructure and Public Facilities
3. Economic Development
4. Neighborhood Revitalization
5. Governing and Fiscal Management
6. Communication

Strategic Plan 1st Quarter 2019

2019 Strategic Plan Action Items and Critical Measurements review

Please note the following information while reviewing the details

- **Some projects span multi-year time frames.**
- **Several items are postponed until 2020.**
- **Staff worked collaboratively with internal and external partners for support and improved collaboration.**
- **Staff leveraged all intergovernmental resources and other contributions to maximize savings and improve output.**
- **Staff utilized public feedback for improvements or modifications.**
- **Comparative benchmarking with other municipalities is used to ensure our efforts remain fiscally responsible.**

Strategic Plan 1st Quarter 2019

Quality of Life

- Fire response of 380 seconds – 91% (Line 16)
- Residents who feel safe / very safe walking after dark – 86% (Line 20)
- 0.77 per 1,000 Part 1 crime rate – violent crimes – 29% (Line 21)
- 3.10 per 1,000 Part 1 crime rate – property crimes – 14% (Line 22)
- 215 pounds of prescription drugs collected – 18% (Line 24)

Strategic Plan 1st Quarter 2019

Quality of Life

- 9 neighborhood associations on Mayor's Neighborhood Leadership Cabinet – 100% (Line 26)
- 100 literacy / citizenship / public events held – 100% (Line 35)
- 18.06 trips per Revenue Mile – Shoreline Metro fixed route – 120% (Line 40)
- 41 years with Tree City USA designation – 100% (Line 44)

Strategic Plan 1st Quarter 2019

Infrastructure and Public Facilities

- Replace 3 fixed route buses – 60% (Line 46)
- Manage City Hall renovation process – 80% (Line 50)
- Develop city-wide long term storm water management program – 40% (Line 53)
- Continue implementation of Sheboygan A's complex improvements – 98% (Line 56)

Strategic Plan 1st Quarter 2019

Economic Development

- Continue with Visit Sheboygan for recreational City Green programming – 25% (Line 65)
- Transform former Koepsell property into Innovation District – 15% (Line 72)
- Develop master plan for Mayline / west Sheboygan River district development – 2% (Line 75)
- $738,031 of room tax generated (2018 final) – 134% (Line 77)

Strategic Plan 1st Quarter 2019

Neighborhood Revitalization

- Continue development of baseline data in targeted neighborhoods – 50% (Line 91)
- Maintain neighborhood Beat Officer positions – 100% (Line 96)
- Organize annual spring clean-up event in partnership with Public Works - 75% (Line 97)
- 34 Abandoned vehicles towed – 40% (Line 108)
- 98 Garbage complaints investigated / cited – 33% (Line 109)

Strategic Plan 1st Quarter 2019

Governing and Fiscal Management

- Develop a succession plan for all management positions - 100% (Line 113)
- Continue providing detailed budget documents to residents and submit to GFOA for review – 100% (Line 117)
- MUNIS Salary and Benefit module nearing final implementation – 75% (Line 121)

Strategic Plan 1st Quarter 2019

Communication

- Continue steady increase in users of all city social media outlets – all over 100% (Line 134 – 136, 140 - 141)
- 1,277 community survey responses, 16% above the benchmark of 1,100 responses (Line 142)
- 6 Fire Department community events – 33% (Line 144)

II

R. O. No. _____ - 19 - 20. By BOARD OF WATER COMMISSIONERS. May 3, 2019.

We, hereby, submit the Board of Water Commissioners' Report on the Water Utility for the first quarter of 2019.

The water pumpage was up 0.61% from the same period in 2018. 1,111,503,000 gallons were pumped in the first quarter 2019, compared to 1,104,725,000 in 2018.

Year to date Operating Revenue at the end of the first quarter 2019 increased by $11,554 compared to year to date 2018. The net income for the Utility, as of the end of March, 2019 is $63,884. Details are shown on the attached Income Statement and Balance Sheet.

Construction-Maintenance:

Construction-maintenance work by the Water Utility during the first quarter of 2019:

Number of feet of 4 inch water main installed	0.0
Number of feet of 6 inch hydrant lead installed	0.0
Number of feet of 6 inch water main installed	0.0
Number of feet of 8 inch water main installed	0.0
Number of feet of 10 inch water main installed	0.0
Number of feet of 12 inch water main installed	0.0
Number of feet of 16 inch water main installed	0.0
Number of feet of 20 inch water main installed	0.0
Number of feet of 24 inch water main installed	0.0
Number of feet of water main abandoned or removed.....	0.0
Number of water main breaks repaired	10
Number of fire hydrants installed, replaced, relocated, removed, flushed, or major repairs made....	0
Number of water main valves installed, repaired, removed, or replaced	0
Number of water service connections installed	3

Details are shown on the attached spreadsheets.

Other Utility Business:

The Utility's Horizon Drive water tower was tested and brought into service in January 2019. Final painting and other work will be completed as weather permits in late spring time.

Utility staff prepared a draft lead service line replacement ordinance, which remains under review.

The Utility solicited and received six bids on its North Avenue water main

Consent.

replacement project, and two bids on its North Avenue lead service line replacement project. The low bid on the water main project came in at $654,145.00 and on the lead service line replacement project at $75,870.00.

The Utility engaged a consulting firm to prepare design plans for water transmission upgrades in the Sheboygan Business Center in the vicinity of S. Taylor Drive westward on Behrens Parkway onto Tower Drive.

BOARD OF WATER COMMISSIONERS

Gerald Van De Kreeke, President

Mark J. Smith, Secretary

Raymond W. Haen, Member

Attachments - Balance Sheet
Income Statement
Distribution System Quarterly Report
High Lift Delivery Operations Quarterly Report

City of Sheboygan
spirit on the lake Water Utility

Sheboygan Water Utility
Quarterly Financial Statement March 31, 2019
Balance Sheet Including Net Income

Account #		Debit Balance	Credit Balance
	Utility Plant in Service	66,559,963	
107	Construction Work in Progress	2,481,273	
111	Accumulated Provision for Depreciation of Utility Plant		21,918,584
125	Bond Redemption Fund	715,248	
129	Appropriated Funds Invested for Plant Expansion & Payables	296,544	
126	Depreciation Fund		
128	Other Special Funds - Net Pension Asset	387,084	
128	Other Special Funds - Health Ins		
130	Other Special Funds - Deferred Outflow Pension	729,101	
135	Working Funds	750	
136	Temporary Cash Investments	8,594,841	
142	Customer Accounts Recievable	877,287	
143	Grant Receivable	2,500	
145	Receivables from Municipality	500,209	
154	Materials and Supplies	241,249	
163	Stores Expense		
165	Prepayments	26,574	
171	Interest and Dividends Receivable		
181	Misc Deferred Debits		
184	Transportation Expense		
200	Capital Paid in by Municipality		1,640,701
216	Unappropriated Earned Surplus		42,180,419
221	Long Term Debt Bonds		12,412,081
223	Advances from Municipality		169,252
232	Accounts Payable		
235	Customer Deposits		3,000
236	Taxes Accrued		868,579
237	Interest Payable on Bonds		136,951
242	Misc. Current & Accrued Liab		14,265
251	Bond Premium		289,227
253	Misc Deferred Credits		119,338
263	Other Special Funds Employee Pensions		
265	Accrued Employee Benefits		530,932
425	Amoritization of Pre 2003 Depreciation		
280	Net Pension Liability		299,388
285	Deferred Inflow - Pension		766,023
	Utility Net Income		63,884
		81,412,625	81,412,625

Distribution System -- 1st Quarter - January, February, & March 2019

Street Valves and Hydrant Valves Installed (including water main projects and others)

Location	Installed	Size	By	Type

Total Valves Installed = 0

Street Valves and Hydrant Valves Removed

Location	Installed	Removed	Type

Total Valves Removed = 0

Street Valves and Hydrant Valves Abandoned

Location	Installed	Abandoned

Total Valves Abandoned = 0

Street Valves and Hydrant Valves Maintained

Location	Maintained	Size

Total Valves Maintained = 0

Hydrants Installed (including water main projects and others)

Location	Installed	Tr Size	Valve	By

Total Hydrants Installed = 0

Hydrants Removed (including water main projects and others)

Location	Installed	Removed	Hyd Valve?

Total Hydrants Removed = 0

Hydrants Abandoned (including water main projects and others)

Location	Installed	Abandoned	Tr Size	Hyd Valve?

Total Hydrants Abandoned = 0

Hydrants Maintained/Moved (including water main projects and others)

Location	Installed	Maintained

Total Hydrants Maintained/Moved = 0

Water Main Breaks

Location	Date	Main Size (")
N. 8th St at Niagara	1/8/2019	6"
1346 Mayflower Ave	1/16/2019	6"
1026 Clara Ave	1/22/2019	10"
2425 S. Taylor Dr	1/29/2019	16"
1424 S. 24th St	2/4/2019	6"
Wilson Ave at Wedemeyer St	2/19/2019	10"
1530 N. 26th St	2/23/2019	6"
2008 N. 12th St	3/8/2019	6"
Hydrant at SE corner of North Ave and N. 28th St	3/10/2019	6"
1823 N. 10th St	3/12/2019	4"

Total Water Main Breaks = 10

SUMMARY

Number of feet of 4 inch water main installed	0	water main
Number of feet of 6 inch hydrant lead installed	0	
Number of feet of 6 inch water main installed	0	
Number of feet of 8 inch water main installed	0	
Number of feet of 10 inch water main installed	0	
Number of feet of 12 inch water main installed	0	
Number of feet of 16 inch water main installed	0	
Number of feet of 24 inch water main installed	0	
Number of feet of water main abandoned or removed	0	
Number of water main breaks repaired	10	
Number of hydrants installed	0	hydrants
Number of hydrants removed or abandoned	0	
Number of hydrants maintained or moved	0	
Number of street valves installed	0	valves
Number of hydrant valves installed	0	
Number of street valves removed or abandoned	0	
Number of hydrant valves removed or abandoned	0	
Number of valves maintained	0	
Number of water connections installed	3	

City of Sheboygan
spirit on the lake Water Utility

Sheboygan Water Utility
Sheboygan, Wisconsin
Income Statement - March 31, 2019

Account #		1-Jan-19 to 31-Mar-19	1-Jan-18 to 31-Mar-18	Increase or (Decrease)
	Utility Operating Income			
400	Sales Revenue	1,796,286	1,741,518	54,769
474	Other Water Revenue	10,403	53,618	(43,215)
	Total Operating Revenue	**1,806,689**	**1,795,136**	**11,554**
401	Operating Expenses	899,065	632,552	266,513
402	Maintenance Expenses	161,353	157,340	4,014
403	Depreciation Expenses	362,680	363,206	(526)
402	Taxes	272,408	278,467	(6,059)
	Total Operating Expenses	**1,695,507**	**1,431,564**	**263,943**
	Utility Operating Income	**111,183**	**363,572**	**(252,389)**
	Other Income & Expense			
415	Non-operating Grant Revenue	5,000	16,458	(11,458)
416	Non-operating Grant Expense	(5,000)	(15,483)	10,483
419	Interest Earned on Investments	17,938	3,515	14,423
421	Contributions	-	-	-
425	Misc Amortization	6,283	6,283	-
427	Bond Interest Expense	(79,739)	(91,733)	11,994
428	Other Expense	-	(76,087)	76,087
429	Bond Premium	8,218	2,498	5,720
	Net Income	**63,884**	**209,023**	**(145,139)**

HIGH LIFT DELIVERY QUARTERLY REPORT 2019

I. FIRST QUARTER	Jan - Feb - Mar	GALLONS	COST $	$/MG
	2018	1,104,725,000	$204,415.71	$185.04
	2019	1,111,503,000	$217,156.22	$195.37
	Percent Difference	0.61%	6.23%	5.58%

II. SECOND QUARTER	Apr - May - Jun	GALLONS	COST $	$/MG
	2018	1,221,885,000	$194,057.60	$158.82
	2019	0	$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!

III. THIRD QUARTER	Jul - Aug - Sep	GALLONS	COST $	$/MG
	2018	1,354,054,000	$204,760.00	$151.22
	2019	0	$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!

IV. FOURTH QUARTER	Oct - Nov - Dec	GALLONS	COST $	$/MG
	2018	1,126,838,000	$205,214.48	$182.12
	2019	0	$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!

YEAR TO DATE : 2019		GALLONS	COST $	$/MG
ELECTRICITY CHEMICALS NATURAL GAS	2018	4,807,482,000	$808,447.79	$168.16
	2019	1,111,503,000	$217,156.22	$195.37
	Percent Difference	-76.88%	-73.14%	16.18%

YEAR TO DATE : 2019		GALLONS	COST $
SLUDGE DISPOSAL	2018	4,689,590	$40,213.11
	2019	793,920	$6,850.49
	Percent Difference	-83.07%	-82.96%
STORM WATER CHARGES	2019	NA	$0.00

HIGH LIFT SYSTEM DELIVERY :			
	Maximum Pumpage Day	14,157,000	January 29, 2019
	Minimum Pumpage Day	8,407,000	January 1, 2019

	MG	$	$/MG
2018	4,807,482,000	$808,447.79	$168.16
2019	1,111,503,000	$217,156.22	$195.37

NOTE: Monthly sludge disposal costs do not reflect the current actual monthly sludge discharge total to date.
Filtrate discharges from Spring/Fall sludge disposal operations are included in treatment plant sludge disposal costs.
Spring/Fall basin sludge/residual solids volumes and disposal costs are contract work.
Sludge disposal costs are not included in $/MG.

II

R. O. No. _____ - 19 - 20. By BOARD OF WATER COMMISSIONERS. May 6, 2019.

To the Honorable, the Mayor and Common Council:

We are, hereby, submitting a copy of the 2018 Annual Audited Financial Statements, including Independent Auditor's Report, on the Sheboygan Water Utility, and the 2018 Annual Report to the Public Service Commission (PSC) of Wisconsin.

Consent.

BOARD OF WATER COMMISSIONERS

Gerald Van De Kreeke, President

Mark J. Smith, Secretary

Attachments

Raymond W. Haen, Member

WATER, ELECTRIC, OR JOINT UTILITY ANNUAL REPORT

OF

SHEBOYGAN WATER UTILITY

72 PARK AVE
SHEBOYGAN, WI 53081-2958

For the Year Ended: DECEMBER 31, 2018

TO

PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than $25 nor more than $5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

I ***Lisa M. Gottsacker, CPA, Utility Accountant*** of ***SHEBOYGAN WATER UTILITY***, certify that I am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

Date Signed: ***3/29/2019***

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Identification and Ownership - Contacts

Utility employee in charge of correspondence concerning this report

Name: LISA M. GOTTSACKER, CPA
Title: UTILITY ACCOUNTANT
Mailing Address: 72 PARK AVENUE
SHEBOYGAN, WI 53081
Phone: (920) 459-3804
Email Address: lgottsacker@sheboyganwater.org

Accounting firm or consultant preparing this report (if applicable)

Name:
Title:
Mailing Address:
Phone:
Email Address:

Name and title of utility General Manager (or equivalent)

Name: JOE TRUEBLOOD
Title: SUPERINTENDENT
Mailing Address: 72 PARK AVENUE
SHEBOYGAN, WI 53081
Phone: (920) 459-3805
Email Address: joetrueblood@sheboyganwater.org

President, chairman, or head of utility commission/board or committee

Name: GERALD R. VAN DE KREEKE, CPA
Title: PRESIDENT
Mailing Address: 1530 SOUTH 12th STREET
SHEBOYGAN, WI 53081
Phone: (920) 458-4351
Email Address: gvandekreeke@vdks.com

Contact person for cybersecurity issues and events

Name: JOE TRUEBLOOD
Title: SUPERINTENDENT
Mailing Address: 72 PARK AVENUE
SHEBOYGAN, WI 53081
Phone: (920) 459-3805
Email Address: joetrueblood@sheboyganwater.org

Identification and Ownership - Governing Authority and Audit Information

Utility Governing Authority

Select the governing authority for this utility.

_x_Reports to utility board/commission

___Reports directly to city/village council

Audit Information

Are utility records audited by individulas or firms other than utility employees? _x_Yes __No

Date of most recent audit report: 03/18/2019

Period covered by most recent audit: 01/01/2018 - 12/31/2018

Individual or firm, if other than utility employee, auditing utility records

Name: MS. JODI DOBSON, CPA

Title: PARTNER

Organization Name: BAKER TILLY VIRCHOW KRAUSE, LLP

USPS Address: TEN TERRACE COURT, PO BOX 7398

City State Zip MADISON, WI 53707-7398

Telephone: (608) 240-2469

Email Address: jodi.dobson@bakertilly.com

Identification and Ownership - Contract Operations

Do you have any contracts?

Are any the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? **NO**

Income Statement

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			1
Operating Revenues (400)	9,308,949	8,645,886	2
Operating Expenses:			3
Operation and Maintenance Expense (401-402)	4,056,066	3,907,181	4
Depreciation Expense (403)	1,448,005	1,387,913	5
Amortization Expense (404-407)	0	0	6
Taxes (408)	1,256,282	1,255,588	7
Total Operating Expenses	**6,760,353**	**6,550,682**	8
Net Operating Income	**2,548,596**	**2,095,204**	9
Income from Utility Plant Leased to Others (412-413)			10
Utility Operating Income	**2,548,596**	**2,095,204**	11
OTHER INCOME			12
Income from Merchandising, Jobbing and Contract Work (415-416)	975	(972)	13
Income from Nonutility Operations (417)			14
Nonoperating Rental Income (418)			15
Interest and Dividend Income (419)	60,544	19,531	16
Miscellaneous Nonoperating Income (421)	0	250,000	17
Total Other Income	**61,519**	**268,559**	18
Total Income	**2,610,115**	**2,363,763**	19
MISCELLANEOUS INCOME DEDUCTIONS			20
Miscellaneous Amortization (425)	(25,134)	(25,134)	21
Other Income Deductions (426)	79,000	77,375	22
Total Miscellaneous Income Deductions	**53,866**	**52,241**	23
Income Before Interest Charges	**2,556,249**	**2,311,522**	24
INTEREST CHARGES			25
Interest on Long-Term Debt (427)	358,269	297,197	26
Amortization of Debt Discount and Expense (428)	76,087		27
Amortization of Premium on Debt--Cr. (429)	29,134	4,447	28
Interest on Debt to Municipality (430)	7,601	7,615	29
Other Interest Expense (431)	0	0	30
Interest Charged to Construction--Cr. (432)		2,813	31
Total Interest Charges	**412,823**	**297,552**	32
Net Income	**2,143,426**	**2,013,970**	33
EARNED SURPLUS			34
Unappropriated Earned Surplus (Beginning of Year) (216)	40,301,938	38,282,805	35
Balance Transferred from Income (433)	2,143,426	2,013,970	36
Miscellaneous Credits to Surplus (434)		21,632	37
Miscellaneous Debits to Surplus--Debit (435)	264,942	16,469	38
Appropriations of Surplus--Debit (436)			39
Appropriations of Income to Municipal Funds--Debit (439)			40
Total Unappropriated Earned Surplus End of Year (216)	**42,180,422**	**40,301,938**	41

Income Statement Account Details

- Report each item (when individually or when like items are combined) greater than $10,000 (class AB), $5,000 (class C) and $2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
- Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME	0	0	0	1
Operating Revenues (400)	0	0	0	2
Derived	9,308,949		9,308,949	3
Total (Acct. 400)	9,308,949	0	9,308,949	4
Operation and Maintenance Expense (401-402)	0	0	0	5
Derived	4,056,066		4,056,066	6
Total (Acct. 401-402)	4,056,066	0	4,056,066	7
Depreciation Expense (403)	0	0	0	8
Derived	1,448,005		1,448,005	9
Total (Acct. 403)	1,448,005	0	1,448,005	10
Amortization Expense (404-407)	0	0	0	11
Derived	0		0	12
Total (Acct. 404-407)	0	0	0	13
Taxes (408)	0	0	0	14
Derived	1,256,282		1,256,282	15
Total (Acct. 408)	1,256,282	0	1,256,282	16
TOTAL UTILITY OPERATING INCOME	2,548,596	0	2,548,596	17
OTHER INCOME	0	0	0	18
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	0	19
Derived	975	0	975	20
Total (Acct. 415-416)	975	0	975	21
Interest and Dividend Income (419)	0	0	0	22
INTEREST AND DIVIDENDS	60,544		60,544	23
Total (Acct. 419)	60,544	0	60,544	24
Miscellaneous Nonoperating Income (421)	0	0	0	25
Contributed Plant - Water		0	0	26
Impact Fees - Water		0	0	27
Total (Acct. 421)	0	0	0	28
TOTAL OTHER INCOME	61,519	0	61,519	29
MISCELLANEOUS INCOME DEDUCTIONS	0	0	0	30
Miscellaneous Amortization (425)	0	0	0	31
Regulatory Liability (253) Amortization	(25,134)		(25,134)	32
Total (Acct. 425)	(25,134)	0	(25,134)	33
Other Income Deductions (426)	0	0	0	34
Depreciation Expense on Contributed Plant - Water		79,000	79,000	35
Total (Acct. 426)	0	79,000	79,000	36
TOTAL MISCELLANEOUS INCOME DEDUCTIONS	(25,134)	79,000	53,866	37
INTEREST CHARGES	0	0	0	38
Interest on Long-Term Debt (427)	0	0	0	39
Derived	358,269		358,269	40

Income Statement Account Details

- Report each item (when individually or when like items are combined) greater than $10,000 (class AB), $5,000 (class C) and $2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
- Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
Total (Acct. 427)	358,269	0	358,269	41
Amortization of Debt Discount and Expense (428)	0	0	0	42
Bond Issue Expense	76,087		76,087	43
Total (Acct. 428)	76,087	0	76,087	44
Amortization of Premium on Debt--Cr. (429)	0	0	0	45
Bonds	29,134		29,134	46
Total (Acct. 429)	29,134	0	29,134	47
Interest on Debt to Municipality (430)	0	0	0	48
Derived	7,601		7,601	49
Total (Acct. 430)	7,601	0	7,601	50
Other Interest Expense (431)	0	0	0	51
Derived	0		0	52
Total (Acct. 431)	0	0	0	53
TOTAL INTEREST CHARGES	412,823	0	412,823	54
NET INCOME	2,222,426	(79,000)	2,143,426	55
EARNED SURPLUS	0	0	0	56
Unappropriated Earned Surplus (Beginning of Year) (216)	0	0	0	57
Derived	35,279,262	5,022,676	40,301,938	58
Total (Acct. 216)	35,279,262	5,022,676	40,301,938	59
Balance Transferred from Income (433)	0	0	0	60
Derived	2,222,426	(79,000)	2,143,426	61
Total (Acct. 433)	2,222,426	(79,000)	2,143,426	62
Miscellaneous Debits to Surplus--Debit (435)	0	0	0	63
Detail Appropriations to (from) Account 216	264,942		264,942 *	64
Total (Acct. 435)	264,942	0	264,942	65
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR)	37,236,746	4,943,676	42,180,422	66

Income Statement Account Details

- Report each item (when individually or when like items are combined) greater than $10,000 (class AB), $5,000 (class C) and $2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
- Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Income Statement Account Details (Page F-02)

Amount of Miscellaneous Debits to Surplus (Acct 435) exceeds $10,000, please explain fully.

$264,942 was debited to Unappropriated Earned Surplus to restate beginning net position for the effects of new GASB 75 OPEB entries relating to health insurance liability $191,642, and life insurance liability $73,300.

Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)

Particulars (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)		
Revenues							1
Revenues (account 415)	305,252				**305,252**	*	2
Cost and Expenses of Merchandising, Jobbing and Contract Work (416)							3
Cost of merchandise sold	304,277				**304,277**	*	4
Payroll					**0**		5
Materials					**0**		6
Taxes					**0**		7
Total costs and expenses	**304,277**	**0**	**0**	**0**	**304,277**		8
Net Income (or loss)	**975**	**0**	**0**	**0**	**975**		9

Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)

Income from Merchandising, Jobbing & Contract Work (Accts. 415-416) (Page F-03)

General Footnote

Revenues received from the DNR Safe Drinking Water Loan program for the replacement of lead water service laterals. Expenses paid to plumbing contractors for the replacement of lead water service laterals.

Revenues Subject to Wisconsin Remainder Assessment

- Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
- If the sewer department is not regulated by the PSC, do not report sewer department in data column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Gas Utility (d)	Sewer Utility (Regulated Only (e)	Total (f)	
Total operating revenues	9,308,949				**9,308,949**	1
Less: interdepartmental sales	0				**0**	2
Less: interdepartmental rents	0				**0**	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)					**0**	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained	676				**676**	5
Revenues subject to Wisconsin Remainder Assessment	**9,308,273**	**0**	**0**	**0**	**9,308,273**	6

Distribution of Total Payroll

- Amounts charged to Utility Financed and to Contributed Plant accounts should be combined and reported in plant or accumulated depreciation accounts.
- Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
- The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
- Provide additional information in the schedule footnotes when necessary.

Accounts Charged (a)	Direct Payroll Distribution (b)	Allocation of Amounts Charged Clearing Accts. (c)	Total (d)	
Water operating expenses	1,619,332		**1,619,332**	1
Electric operating expenses			**0**	2
Gas operating expenses			**0**	3
Heating operating expenses			**0**	4
Sewer operating expenses			**0**	5
Merchandising and jobbing			**0**	6
Other nonutility expenses			**0**	7
Water utility plant accounts	124,970		**124,970**	8
Electric utility plant accounts			**0**	9
Gas utility plant accounts			**0**	10
Heating utility plant accounts			**0**	11
Sewer utility plant accounts			**0**	12
Accum. prov. for depreciation of water plant			**0**	13
Accum. prov. for depreciation of electric plant			**0**	14
Accum. prov. for depreciation of gas plant			**0**	15
Accum. prov. for depreciation of heating plant			**0**	16
Accum. prov. for depreciation of sewer plant			**0**	17
Clearing accounts			**0**	18
All other accounts			**0**	19
Total Payroll	**1,744,302**	**0**	**1,744,302**	20

Full-Time Employees (FTE)

- Use FTE numbers where FTE stands for Full-Time Employees or Full-Time Equivalency. FTE can be computed by using total hours worked/2080 hours for a fiscal year. Estimate to the nearest hundredth. If an employee works part time for more than one industry then determine FTE based on estimate of hours worked per industry.
- Example: An employee worked 35% of their time on electric jobs, 30% on water jobs, 20% on sewer jobs and 15% on municipal nonutility jobs. The FTE by industry would be .35 for electric, .30 for water and .20 for sewer.

Industry (a)	FTE (b)	
Water	30.0	1
Electric		2
Gas		3
Sewer		4

Balance Sheet

Assets and Othe Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
ASSESTS AND OTHER DEBITS			1
UTILITY PLANT			2
Utility Plant (101)	68,497,395	65,134,859	3
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (111)	21,510,110	20,001,258	4
Utility Plant Acquisition Adjustments (117-118)	0	0	5
Other Utility Plant Adjustments (119)	0	0	6
Net Utility Plant	**46,987,285**	**45,133,601**	7
OTHER PROPERTY AND INVESTMENTS			8
Nonutility Property (121)	0	0	9
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	10
Investment in Municipality (123)	0	0	11
Other Investments (124)	0	0	12
Sinking Funds (125)	715,248	531,643	13
Depreciation Fund (126)	0	0	14
Other Special Funds (128)	0	0	15
Total Other Property and Investments	**715,248**	**531,643**	16
CURRENT AND ACCRUED ASSETS			17
Cash (131)	0	0	18
Special Deposits (134)	0	0	19
Working Funds (135)	0	0	20
Temporary Cash Investments (136)	8,951,431	7,207,307	21
Notes Receivable (141)	0	0	22
Customer Accounts Receivable (142)	1,218,756	1,163,404	23
Other Accounts Receivable (143)	25,114	19,041	24
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	25
Receivables from Municipality (145)	652,693	716,689	26
Plant Materials and Operating Supplies (154)	233,480	266,045	27
Merchandise (155)	0	0	28
Other Materials and Supplies (156)	0	0	29
Stores Expense (163)	0	0	30
Prepayments (165)	32,055	34,805	31
Interest and Dividends Receivable (171)	0	0	32
Accrued Utility Revenues (173)	0	0	33
Miscellaneous Current and Accrued Assets (174)	729,101	0	34
Total Current and Accrued Assets	**11,842,630**	**9,407,291**	35
DEFERRED DEBITS			36
Unamortized Debt Discount and Expense (181)	0	0	37
Extraordinary Property Losses (182)	0	0	38
Preliminary Survey and Investigation Charges (183)	0	0	39
Clearing Accounts (184)	0	0	40
Temporary Facilities (185)	0	0	41
Miscellaneous Deferred Debits (186)	387,084	815,185	42
Total Deferred Debits	**387,084**	**815,185**	43
TOTAL ASSETS AND OTHER DEBITS	**59,932,247**	**55,887,720**	44

Balance Sheet

Liabilities and Othe Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
LIABILITIES AND OTHER CREDITS			1
PROPRIETARY CAPITAL			2
Capital Paid in by Municipality (200)	1,640,701	1,640,701	3
Appropriated Earned Surplus (215)	0	0	4
Unappropriated Earned Surplus (216)	42,180,422	40,301,938	5
Total Proprietary Capital	**43,821,123**	**41,942,639**	6
LONG-TERM DEBT			7
Bonds (221)	12,412,080	10,919,655	8
Advances from Municipality (223)	185,391	200,615	9
Other Long-Term Debt (224)	0	0	10
Total Long-Term Debt	**12,597,471**	**11,120,270**	11
CURRENT AND ACCRUED LIABILITIES			12
Notes Payable (231)	0	0	13
Accounts Payable (232)	185,795	390,987	14
Payables to Municipality (233)	0	0	15
Customer Deposits (235)	0	0	16
Taxes Accrued (236)	1,158,108	1,166,476	17
Interest Accrued (237)	64,814	55,794	18
Tax Collections Payable (241)	0	0	19
Miscellaneous Current and Accrued Liabilities (242)	785,991	0	20
Total Current and Accrued Liabilities	**2,194,708**	**1,613,257**	21
DEFERRED CREDITS			22
Unamortized Premium on Debt (251)	297,445	41,339	23
Customer Advances for Construction (252)	0	0	24
Other Deferred Credits (253)	425,008	595,262	25
Total Deferred Credits	**722,453**	**636,601**	26
OPERATING RESERVES			27
Property Insurance Reserve (261)	0	0	28
Injuries and Damages Reserve (262)	0	0	29
Pensions and Benefits Reserve (263)	0	0	30
Miscellaneous Operating Reserves (265)	596,492	574,953	31
Total Operating Reserves	**596,492**	**574,953**	32
TOTAL LIABILITIES AND OTHER CREDITS	**59,932,247**	**55,887,720**	33

Net Utility Plant

- Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	
First of Year					1
Total Utility Plant - First of Year	65,134,859	0	0	0	2
	65,134,859	**0**	**0**	**0**	3
Plant Accounts					4
Utility Plant in Service - Financed by Utility Operations or by the Municipality (101.1)	59,876,957				5
Utility Plant in Service - Contributed Plant (101.2)	6,395,941				6
Utility Plant Purchased or Sold (102)					7
Utility Plant Leased to Others (104)					8
Property Held for Future Use (105)					9
Completed Construction not Classified (106)					10
Construction Work in Progress (107)	2,224,497				11
Total Utility Plant	**68,497,395**	**0**	**0**	**0**	12
Accumulated Provision for Depreciation and Amortization					13
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (111.1)	19,957,827				14
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (111.2)	1,552,283				15
Accumulated Provision for Depreciation of Utility Plant Leased to Others (112)					16
Accumulated Provision for Depreciation of Property Held for Future Use (113)					17
Accumulated Provision for Amortization of Utility Plant in Service (114)					18
Accumulated Provision for Amortization of Utility Plant Leased to Others (115)					19
Accumulated Provision for Amortization of Property Held for Future Use (116)					20
Total Accumulated Provision	**21,510,110**	**0**	**0**	**0**	21
Accumulated Provision for Depreciation and Amortization					22
Utility Plant Acquisition Adjustments (117)					23
Accumulated Provision for Amortization of Utility Plant Acquisition Adjustments (118)					24
Other Utility Plant Adjustments (119)					25
Total Other Utility Plant Accounts	**0**	**0**	**0**	**0**	26
Net Utility Plant	**46,987,285**	**0**	**0**	**0**	27

Accumulated Provision for Depreciation of Utility Plant on Utility Plant Financed by Utility Operations or by the Municipality (Acct. 111.1)

Depreciation Accruals (Credits) during the year (111.1):

- Report the amounts charged in the operating sections to Depreciation Expense (403).
- If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
- Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water Column. If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
- Report all other accruals charged to other accounts, such as to clearing accounts.

Description (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)	
Balance First of Year (111.1)	18,555,260	0	0	0	**18,555,260**	1
Credits during year						2
Charged Depreciation Expense (403)	1,448,005				**1,448,005**	3
Depreciation Expense on Meters Charged to Sewer	107,356				**107,356**	4
Salvage	0				**0**	5
Depreciation Adjustments to Contributions					**0**	6
Depreciation Expense Charged to Clearing Accounts	26,922				**26,922**	7
Total credits	**1,582,283**	**0**	**0**	**0**	**1,582,283**	8
Debits during year						9
Book Cost of Plant Retired	179,716				**179,716**	10
Cost of Removal	0				**0**	11
Total debits	**179,716**	**0**	**0**	**0**	**179,716**	12
Balance end of year (111.1)	**19,957,827**	**0**	**0**	**0**	**19,957,827**	13

Accumulated Provision for Depreciation of Utility Plant on Contributed Plant in Service (Acct. 111.2)

Depreciation Accruals (Credits) during the year (111.2):

- Report the amounts charged in the operating sections to Other Income Deductions (426).
- If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
- Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water Column. If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
- Report all other accruals charged to other accounts, such as to clearing accounts.

Description (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)	
Balance First of Year (111.2)	1,445,998	0	0	0	**1,445,998**	1
Credits during year						2
Charged Other Income Deductions (426)	79,000				**79,000**	3
Depreciation Expense on Meters Charged to Sewer	0				**0**	4
Salvage	0				**0**	5
Depreciation Adjustments to Contributions	27,285				**27,285**	6
Total credits	**106,285**	**0**	**0**	**0**	**106,285**	7
Debits during year						8
Book Cost of Plant Retired	0				**0**	9
Cost of Removal	0				**0**	10
Total debits	**0**	**0**	**0**	**0**	**0**	11
Balance end of year (111.2)	**1,552,283**	**0**	**0**	**0**	**1,552,283**	12

Net Nonutility Property (Accts. 121 & 122)

- Report separately each item of property with a book cost of $5,000 or more included in account 121.
- Other items may be grouped by classes of property.
- Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Total Nonutility Property (121)	**0**	**0**	**0**	**0**	2
Less accum. prov. depr. & amort. (122)	**0**			**0**	3
Net Nonutility Property	**0**	**0**	**0**	**0**	4

Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)

Description (a)	Amount (b)	
Balance first of year	0	1
Additions		2
Provision for uncollectibles during year	0	3
Collection of accounts previously written off: Utility Customers	0	4
Collection of accounts previously written off: Others	0	5
Total Additions	**0**	6
Accounts Written Off		7
Accounts written off during the year: Utility Customers	0	8
Accounts written off during the year: Others	0	9
Total Accounts Written Off	**0**	10
Balance End of Year	**0**	11

Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)

Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144) (Page F-12)

General Footnote

The Sheboygan Water Utility uses the tax roll process, adding delinquent amounts to the tax roll, therefore no provision is made for uncollectible accounts.

Materials and Supplies

Account (a)	Generation (b)	Transmission (d)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							1
Fuel (151)					**0**	**0**	2
Fuel stock expenses (152)					**0**	**0**	3
Plant mat. & oper. sup. (154)					**0**	**0**	4
Total Electric Utility	**0**	**0**	**0**	**0**	**0**	**0**	5

Account	Total End of Year	Amount Prior Year	
Electric utility total	**0**	**0**	1
Water utility (154)	233,480	**266,045**	2
Sewer utility (154)			3
Heating utility (154)			4
Gas utility (154)			5
Merchandise (155)			6
Other materials & supplies (156)			7
Stores expense (163)			8
Total Material and Supplies	**233,480**	**266,045**	9

Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year: Amount (b)	Written Off During Year: Account Charged or Credited (c)	Balance End of Year (d)	
Unamortized debt discount & expense (181)				1
None				2
Total	**0**		**0**	3
Unamortized premium on debt (251)				4
Bond Premium	29,134	8	297,445	5
None				6
Total	**29,134**		**297,445**	7

Capital Paid in by Municipality (Acct. 200)

Report each item (when individually or when like items are combined) greater than $10,000 (class AB), $5,000 (class C) and $2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

	Description (a)	Amount (b)	
Balance first of year		1,640,701	1
Balance end of year		**1,640,701**	2

Bonds (Acct. 221)

- Report information required for each separate issue of bonds.
- If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
- Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.
- Enter interest rates in decimal form. For example, enter 6.75% as 0.0675

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
2004 SAFE DRINKING WATER LOAN	03/10/2004	05/01/2023	2.75%	993,528	1
2013 WATER UTILITY REVENUE BONDS	04/03/2013	05/01/2033	3.50%	2,420,000	2
2015 SAFE DRINKING WATER LOAN	05/13/2015	05/01/2035	1.65%	2,658,552	3
2016 WATER UTILITY REVENUE BONDS	04/20/2016	04/20/2025	2.00%	1,635,000	4
2018 WATER UTILITY REVENUE BONDS	05/01/2018	05/01/2033	3.50%	4,705,000	5
Total				**12,412,080**	6

Notes Payable & Miscellaneous Long-Term Debt

- Report each class of debt included in Accounts 223, 224 and 231.
- Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
- If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
- Enter interest rates in decimal form. For example, enter 6.75% as 0.0675

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances from Municipality (223)					1
UNFUNDED PENSION	03/15/2008	03/15/2027	2.00%	185,391	2
Total for Account 223				**185,391**	3

Taxes Accrued (Acct. 236)

Description (a)	Amount (b)	
Balance first of year	1,166,476	1
Charged water department expense	1,256,282	2
Charged electric department expense		3
Charged gas department expense		4
Charged sewer department expense	32,188	5
Total accruals and other credits	**1,288,470**	6
County, state and local taxes	1,167,329	7
Social Security taxes	119,155	8
PSC Remainder Assessment	10,354	9
Gross Receipts Tax		10
Total payments and other debits	**1,296,838**	11
Balance end of year	**1,158,108**	12

Interest Accrued (Acct. 237)

- Report below interest accrued on each utility obligation.
- Report customer deposits under account 235.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)	0	0	0	**0**	1
2004 SAFE DRINKING WATER LOAN $3,152,000	5,393	29,000	29,839	**4,554**	2
2007 WATER UTILITY REVENUE BONDS $4,000,000	18,189	36,381	54,570	**0**	3
2013 WATER UTILITY REVENUE BOND	12,171	71,292	71,725	**11,738**	4
2015 SAFE DRINKING WATER LOAN $3,122,030	7,682	44,606	44,976	**7,312**	5
2016 WATER UTILITY REVENUE BONDS $2,115,000	5,371	30,625	31,025	**4,971**	6
2018 WATER UTILITY REVENUE BONDS $4,705,000		146,365	117,092	**29,273**	7
Subtotal Bonds (221)	**48,806**	**358,269**	**349,227**	**57,848**	8
Advances from Municipality (223)	0	0	0	**0**	9
UNFUNDED PENSION	6,988	7,601	7,623	**6,966**	10
Subtotal Advances from Municipality (223)	**6,988**	**7,601**	**7,623**	**6,966**	11
Other Long-Term Debt (224)	0	0	0	**0**	12
None				**0**	13
Subtotal Other Long-Term Debt (224)	**0**	**0**	**0**	**0**	14
Notes Payable (231)	0	0	0	**0**	15
None				**0**	16
Subtotal Notes Payable (231)	**0**	**0**	**0**	**0**	17
Customer Deposits (235)	0	0	0	**0**	18
None				**0**	19
Subtotal Customer Deposits (235)	**0**	**0**	**0**	**0**	20
Total	**55,794**	**365,870**	**356,850**	**64,814**	21

Balance Sheet Detail - Other Accounts

Report each item (when individually or when like items are combined) greater than $10,000 (class AB), $5,000 (class C) and $2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Description (a)	Balance End of Year (b)		
Sinking Funds (125)	0		1
Bond Reserve Fund	715,248		2
Total (Acct. 125)	**715,248**		3
Cash and Working Funds (131)	0		4
Cash			5
Total (Acct. 131)	**0**		6
Temporary Cash Investments (136)	0		7
Temporary Cash Investments	8,951,431		8
Total (Acct. 136)	**8,951,431**		9
Customer Accounts Receivable (142)	0		10
Water	1,218,756		11
Total (Acct. 142)	**1,218,756**		12
Other Accounts Receivable (143)	0		13
Sewer (Non-regulated)			14
Merchandising, jobbing and contract work			15
Grant Receivable - Restricted	25,114	*	16
Total (Acct. 143)	**25,114**		17
Receivables from Municipality (145)	0		18
Receivables for water main, laterals, and PFP	652,693	*	19
Total (Acct. 145)	**652,693**		20
Prepayments (165)	0		21
Prepayments	32,055		22
Total (Acct. 165)	**32,055**		23
Miscellaneous Current and Accrued Assets (174)	0		24
Deferred Outflow - Pension and OPEB	729,101		25
Total (Acct. 174)	**729,101**		26
Miscellaneous Deferred Debits (186)	0		27
Net Pension Asset	387,084		28
Total (Acct. 186)	**387,084**		29
Accounts Payable (232)	0		30
Accounts Payable	185,795		31
Total (Acct. 232)	**185,795**		32

Balance Sheet Detail - Other Accounts

Report each item (when individually or when like items are combined) greater than $10,000 (class AB), $5,000 (class C) and $2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Miscellaneous Current and Accrued Liabilities (242)	0	33
Accrued Payroll	19,968	34
Deferred Inflow - Pension and OPEB	766,023	35
Total (Acct. 242)	**785,991**	36
Other Deferred Credits (253)	0	37
Regulatory Liability	125,620	38
Net Pension Liability	299,388	39
Total (Acct. 253)	**425,008**	40
Miscellaneous Operating Reserves (265)	0	41
Accrued Vacation & Sick Leave	596,492	42
Total (Acct. 265)	**596,492**	43

Balance Sheet Detail - Other Accounts

Report each item (when individually or when like items are combined) greater than $10,000 (class AB), $5,000 (class C) and $2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Balance Sheet Detail - Other Accounts (Page F-22)

Explain amounts in Accounts 143, 145 and/or 233 in excess of $10,000. Provide a short list or detailed description, but do not use terms such as other revenues, general, miscellaneous, or repeat the account title.

Acct #143 pertains to accounts receivable for grant reimbursements from the DNR Safe Drinking Water Loan Program principal forgiveness for replacing lead water service laterals in the City of Sheboygan.

Acct #145 pertains to receivables from the City of Sheboygan for water main assessments, water lateral assessments, shared locating services, and charges for billing and collecting sewer and garbage payments.

Return on Rate Base Computation

- The data used in calculating rate base are averages.
- Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
- For municipal utilities, do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.
- For private utilities, do not include property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)	
Add Average						1
Utility Plant in Service (101.1)	59,177,286				**59,177,286**	2
Materials and Supplies	249,762				**249,762**	3
Less Average						4
Reserve for Depreciation (111.1)	19,256,543				**19,256,543**	5
Customer Advances for Construction					**0**	6
Regulatory Liability	138,187				**138,187**	7
Average Net Rate Base	**40,032,318**	**0**	**0**	**0**	**40,032,318**	8
Net Operating Income	2,548,596				**2,548,596**	9
Net Operating Income as a percent of Average Net Rate Base	**6.37%**	**N/A**	**N/A**	**N/A**	**6.37%**	10

Regulatory Liability - Pre-2003 Historical Accumulated Depreciation on Contributed Utility Plant (253)

Description (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)	
Balance First of Year	150,754	0	0	0	**150,754**	1
Credits During Year					**0**	2
None					**0**	3
Charges (Deductions)					**0**	4
Miscellaneous Amortization (425)	25,134				**25,134**	5
Balance End of Year	**125,620**	**0**	**0**	**0**	**125,620**	6

Important Changes During the Year

Report changes of any of the following types:

1. Acquisitions

2. Leaseholder changes

3. Extensions of service
2.17 acres of land was purchased at N. 36th Street for future water utility development. An elevated storage tank with a capacity of 600,000 gallons is under construction at Horizon Drive located in the SouthPointe Enterprise Campus, and scheduled to be completed early 2019.

4. Estimated changes in revenues due to rate changes
A rate increase became effective May 1, 2018 to provide for a 4.9% rate of return. The increase is part of a phased plan to pay for increased operating costs, water main projects, and infrastructure upgrades.

5. Obligations incurred or assumed, excluding commercial paper
Water Utility Revenue Bonds, Series 2018, were issued March 1, 2018 in the amount of $4,705,000 for the public purpose of paying the cost of extensions, additions, and improvements to the municipal water utility, including financing an elevated tank at Horizon Drive. The bond issue also provided for the refunding of 2019 through 2027 maturities of the Water Utility Revenue Bonds, Series 2007, issued April 15, 2007.

6. Formal proceedings with the Public Service Commission

7. Any additional matters

Water Operating Revenues & Expenses

Description (a)	This Year (b)	Last Year (c)	
Operating Revenues - Sales of Water			1
Sales of Water (460-467)	9,094,681	8,484,209	2
Total Sales of Water	**9,094,681**	**8,484,209**	3
Other Operating Revenues			4
Forfeited Discounts (470)	48,316	56,491	5
Rents from Water Property (472)	22,802	22,138	6
Interdepartmental Rents (473)	0	0	7
Other Water Revenues (474)	143,150	83,048	8
Total Other Operating Revenues	**214,268**	**161,677**	9
Total Operating Revenues	**9,308,949**	**8,645,886**	10
Operation and Maintenenance Expenses			11
Source of Supply Expense (600-617)	30,066	5,408	12
Pumping Expenses (620-633)	763,006	702,918	13
Water Treatment Expenses (640-652)	1,115,812	1,066,514	14
Transmission and Distribution Expenses (660-678)	864,887	938,632	15
Customer Accounts Expenses (901-906)	221,846	211,525	16
Sales Expenses (910)	0	0	17
Administrative and General Expenses (920-932)	1,060,449	982,184	18
Total Operation and Maintenenance Expenses	**4,056,066**	**3,907,181**	19
Other Operating Expenses			20
Depreciation Expense (403)	1,448,005	1,387,913	21
Amortization Expense (404-407)		0	22
Taxes (408)	1,256,282	1,255,588	23
Total Other Operating Expenses	**2,704,287**	**2,643,501**	24
Total Operating Expenses	**6,760,353**	**6,550,682**	25
NET OPERATING INCOME	**2,548,596**	**2,095,204**	26

Water Operating Revenues - Sales of Water

- Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
- Report estimated gallons for unmetered sales.
- Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified multifamily residential.
- Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered or measured by tank of pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (Account 461).
- Report average number of individually-metered accounts (meters). The amount reported should be the average meter count. E.g. if a hospital has 5 meters, a total of 5 meters should be reported on this schedule in column b (Average No. of Customers).

Description (a)	Average No. Customer (b)	Thousand of Gallons of Water Sold (c)	Amount (d)	
Unmetered Sales to General Customers (460)				1
Residential (460.1)				2
Commercial (460.2)				3
Industrial (460.3)				4
Public Authority (460.4)				5
Multifamily Residential (460.5)				6
Irrigation (460.6)				7
Total Unmetered Sales to General Customers (460)	**0**	**0**	**0**	8
Metered Sales to General Customers (461)				9
Residential (461.1)	16,931	762,001	2,297,974	10
Commercial (461.2)	1,299	261,463	586,928	11
Industrial (461.3)	161	2,641,545	4,080,810	12
Public Authority (461.4)	116	50,042	116,421	13
Multifamily Residential (461.5)	290	114,050	255,052	14
Irrigation (461.6)				15
Total Metered Sales to General Customers (461)	**18,797**	**3,829,101**	**7,337,185**	16
Private Fire Protection Service (462)	268		102,339	17
Public Fire Protection Service (463)	18,968		878,377	18
Other Water Sales (465)				19
Sales for Resale (466)	2	654,071	776,780	20
Interdepartmental Sales (467)				21
Total Sales of Water	**38,035**	**4,483,172**	**9,094,681**	22

Sales for Resale (Acct. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)	
Kohler Municipal Water Utility	TAYLOR DR & ERIE AVE	288,438	325,598	1
Sheboygan Falls Utilities	TAYLOR DR & HWY 23	365,633	451,182	2
Total		**654,071**	**776,780**	3

Other Operating Revenues (Water)

- Report revenues relating to each account and fully describe each item using other than the account title.
- Report each item (when individually or when like items are combined) greater than $10,000 (class AB), $5,000 (class C) and $2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
- For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Description (a)	Amount (b)		
Public Fire Protection Service (463)			1
Amount billed (usually per rate schedule F-1 or Fd-1)	878,377		2
Wholesale fire protection billed			3
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)			4
Total Public Fire Protection Service (463)	**878,377**		5
Forfeited Discounts (470)			6
Customer late payment charges	48,316		7
Total Forfeited Discounts (470)	**48,316**		8
Rents from Water Property (472)			9
Rent of tower for cellular antennas	22,802		10
Total Rents from Water Property (472)	**22,802**		11
Interdepartmental Rents (473)			12
None			13
Total Interdepartmental Rents (473)	**0**		14
Other Water Revenues (474)			15
Return on net investment in meters charged to sewer department	35,634		16
Misc Service Revenues	107,516	*	17
Total Other Water Revenues (474)	**143,150**		18

Other Operating Revenues (Water)

- Report revenues relating to each account and fully describe each item using other than the account title.
- Report each item (when individually or when like items are combined) greater than $10,000 (class AB), $5,000 (class C) and $2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
- For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Other Operating Revenues (Water) (Page W-04)

Explain all amounts in Account 474 in excess of $10,000.

Meter charges related to sewer only and sewer deduct customers. In addition, the Utility collected a one time reimbursement in the amount of $47,515 from the municipality for shared locating services in prior years.

Water Operation & Maintenance Expenses

- Each expense account that has a difference between This Year and Last Year greater than 15 percent and $10,000 (class AB), 25 percent and $5,000 (class C), 30 percent and $2,000 (class D) shall be fully explained in the schedule footnotes.
- Class C and class D report all expenses in Other Expense (column c)

Description (a)	Labor Expense (b)	Other Expense (c)	Total This Year (d)	Last Year (e)	
SOURCE OF SUPPLY EXPENSES					1
Operation Supervision and Engineering (600)		3,609	3,609	25	2
Operation Labor and Expenses (601)			0	0	3
Purchased Water (602)			0	0	4
Miscellaneous Expenses (603)			0	0	5
Rents (604)			0	0	6
Maintenance Supervision and Engineering (610)			0	0	7
Maintenance of Structures and Improvements (611)			0	0	8
Maintenance of Collecting and Impounding Reservoirs (612)			0	0	9
Maintenance of Lake, River and Other Intakes (613)		26,457	26,457	5,383 *	10
Maintenance of Wells and Springs (614)			0	0	11
Maintenance of Supply Mains (616)			0	0	12
Maintenance of Miscellaneous Water Source Plant (617)			0	0	13
Total Source of Supply Expenses	**0**	**30,066**	**30,066**	**5,408**	14
PUMPING EXPENSES					15
Operation Supervision and Engineering (620)	33,985		33,985	33,377	16
Fuel for Power Production (621)			0	0	17
Power Production Labor and Expenses (622)			0	0	18
Fuel or Power Purchased for Pumping (623)		500,334	500,334	471,067	19
Pumping Labor and Expenses (624)	5	336	341	217	20
Expenses Transferred--Credit (625)			0	0	21
Miscellaneous Expenses (626)	4,313	64,377	68,690	63,432	22
Rents (627)			0	0	23
Maintenance Supervision and Engineering (630)	10,996		10,996	10,352	24
Maintenance of Structures and Improvements (631)	110,902	1,796	112,698	93,881 *	25
Maintenance of Power Production Equipment (632)			0	0	26
Maintenance of Pumping Equipment (633)	10,134	25,828	35,962	30,592	27
Total Pumping Expenses	**170,335**	**592,671**	**763,006**	**702,918**	28
WATER TREATMENT EXPENSES					29
Operation Supervision and Engineering (640)	35,915		35,915	32,292	30
Chemicals (641)	2	244,680	244,682	212,750	31
Operation Labor and Expenses (642)	441,998	299,976	741,974	719,225	32
Miscellaneous Expenses (643)	2,727	14,840	17,567	20,929	33
Rents (644)			0	0	34
Maintenance Supervision and Engineering (650)			0	0	35
Maintenance of Structures and Improvements (651)	43,301	4,521	47,822	47,161	36
Maintenance of Water Treatment Equipment (652)	12,183	15,669	27,852	34,157	37
Total Water Treatment Expenses	**536,126**	**579,686**	**1,115,812**	**1,066,514**	38
TRANSMISSION AND DISTRIBUTION EXPENSES					39
Operation Supervision and Engineering (660)	45,247		45,247	38,303	40
Storage Facilities Expenses (661)	2,770	10,933	13,703	20,255	41

Water Operation & Maintenance Expenses

- Each expense account that has a difference between This Year and Last Year greater than 15 percent and $10,000 (class AB), 25 percent and $5,000 (class C), 30 percent and $2,000 (class D) shall be fully explained in the schedule footnotes.
- Class C and class D report all expenses in Other Expense (column c)

Description (a)	Labor Expense (b)	Other Expense (c)	Total This Year (d)	Last Year (e)	
Transmission and Distribution Lines Expenses (662)	87,902	13,539	101,441	87,170 *	42
Meter Expenses (663)	25,994	1,829	27,823	30,978	43
Customer Installations Expenses (664)	2,063	127,040	129,103	116,281	44
Miscellaneous Expenses (665)	96,410	26,836	123,246	108,809	45
Rents (666)			0	0	46
Maintenance Supervision and Engineering (670)			0	0	47
Maintenance of Structures and Improvements (671)	80,190	3,880	84,070	80,376	48
Maintenance of Distribution Reservoirs and Standpipes (672)	285	27,870	28,155	251,577 *	49
Maintenance of Transmission and Distribution Mains (673)	142,056	128,961	271,017	159,232 *	50
Maintenance of Services (675)	132	51	183	1,783	51
Maintenance of Meters (676)	10,383	2,245	12,628	9,299	52
Maintenance of Hydrants (677)	7,902	20,369	28,271	34,569	53
Maintenance of Miscellaneous Plant (678)			0	0	54
Total Transmission and Distribution Expenses	**501,334**	**363,553**	**864,887**	**938,632**	55
CUSTOMER ACCOUNTS EXPENSES					56
Supervision (901)	37,174		37,174	31,413	57
Meter Reading Expenses (902)	25,427	4,587	30,014	31,659	58
Customer Records and Collection Expenses (903)	114,889	38,938	153,827	146,172	59
Uncollectible Accounts (904)		676	676	2,129	60
Miscellaneous Customer Accounts Expenses (905)			0	0	61
Customer Service and Informational Expenses (906)		155	155	152	62
Total Customer Accounts Expenses	**177,490**	**44,356**	**221,846**	**211,525**	63
SALES EXPENSES					64
Sales Expenses (910)			0	0	65
Total Sales Expenses	**0**	**0**	**0**	**0**	66
ADMINISTRATIVE AND GENERAL EXPENSES					67
Administrative and General Salaries (920)	230,528		230,528	193,425 *	68
Office Supplies and Expenses (921)		17,590	17,590	19,823	69
Administrative Expenses Transferred--Credit (922)			0	0	70
Outside Services Employed (923)		26,051	26,051	45,761 *	71
Property Insurance (924)		35,969	35,969	36,514	72
Injuries and Damages (925)		47,178	47,178	62,014 *	73
Employee Pensions and Benefits (926)		618,380	618,380	546,356	74
Regulatory Commission Expenses (928)		6,382	6,382	22,484 *	75
Duplicate Charges--Credit (929)			0	0	76
Miscellaneous General Expenses (930)	3,519	58,994	62,513	35,831 *	77
Rents (931)			0	0	78
Maintenance of General Plant (932)		15,858	15,858	19,976	79
Total Administrative and General Expenses	**234,047**	**826,402**	**1,060,449**	**982,184**	80
TOTAL OPERATION AND MAINTENANCE EXPENSES	**1,619,332**	**2,436,734**	**4,056,066**	**3,907,181**	81

Water Operation & Maintenance Expenses

- Each expense account that has a difference between This Year and Last Year greater than 15 percent and $10,000 (class AB), 25 percent and $5,000 (class C), 30 percent and $2,000 (class D) shall be fully explained in the schedule footnotes.
- Class C and class D report all expenses in Other Expense (column c)

Water Operation & Maintenance Expenses (Page W-05)

Explain all This Year amounts that are more than 15% and $10,000 higher or lower than the Last Year amount.

Acct #613 - Increase in 2018 is due to raw water intake inspection.
Acct #631 - Increase in 2018 is due to an increase in salaries for pumping structure maintenance.
Acct #662 - Increase in 2018 is due to increased costs for operation of mains and hydrants.
Acct #672 - Decrease in 2018 is due to a large maintenance and rehabilitation project at the Taylor Hill reservoir in 2017.
Acct #673 - Increase in 2018 is due to a large increase in the number of water main breaks in late winter/early spring 2018.
Acct #920 - Increase in 2018 is due to filling office staff vacancies and salary increases.
Acct #923 - Decrease in 2018 is due to costs for temporary office staffing used in 2017.
Acct #925 - Decrease in 2018 is due to a decrease in costs for liability insurance and worker's comp insurance.
Acct #928 - Decrease in 2018 is due to costs for a rate study in 2017.
Acct #930 - Increase in 2018 is due to customer refunds for discovery of a billing error.

Taxes (Acct. 408 - Water)

When allocation of taxes is made between departments, explain method used.

Description of Tax (a)	This Year (b)	Last Year (c)	
Property Tax Equivalent	1,158,106	1,166,477	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department	32,188	29,414	2
Net Property Tax Equivalent	**1,125,918**	**1,137,063**	3
Social Security	119,154	108,785	4
PSC Remainder Assessment	10,354	9,740	5
Town of Sheboygan Property Tax	856		6
Total Tax Expense	**1,256,282**	**1,255,588**	7

Water Property Tax Equivalent - Detail

- No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
- Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
- The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
- The utility plant balance first of year should include the gross book values of plant in service (total of utility financed and contributed plant), property held for future use and construction work in progress.
- An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
- **Property Tax Equivalent - Total**
  If the municipality has authorized a lower tax equivalent amount, the authorization description and date of the authorization must be reported in the schedule footnotes. If the municipality has NOT authorized a lower amount, leave the cell blank.

COUNTY: SHEBOYGAN(1)

SUMMARY OF TAX RATES		
1. State Tax Rate	mills	0.000000
2. County Tax Rate	mills	5.664486
3. Local Tax Rate	mills	9.909408
4. School Tax Rate	mills	11.027899
5. Vocational School Tax Rate	mills	0.881538
6. Other Tax Rate - Local	mills	0.000000
7. Other Tax Rate - Non-Local	mills	0.000000
8. Total Tax Rate	mills	**27.483331**
9. Less: State Credit	mills	1.971453
11. Net Tax Rate	mills	**25.511878**

PROPERTY TAX EQUIVALENT CALCULATION		
12. Local Tax Rate	mills	**9.909408**
13. Combined School Tax Rate	mills	**11.909437**
14. Other Tax Rate - Local	mills	**0.000000**
15. Total Local & School Tax Rate	mills	**21.818845**
16. Total Tax Rate	mills	**27.483331**
17. Ratio of Local and School Tax to Total	dec.	**0.793894**
18. Total Tax Net of State Credit	mills	**25.511878**
19. Net Local and School Tax Rate	mills	**20.253721**
20. Utility Plant, Jan 1	$	65,134,859
21. Materials & Supplies	$	266,045
22. Subtotal	$	**65,400,904**
23. Less: Plant Outside Limits	$	2,204,368
24. Taxable Assets	$	**63,196,536**
25. Assessment Ratio	dec.	0.904795
26. Assessed Value	$	**57,179,910**
27. Net Local and School Tax Rate	mills	**20.253721**
28. Tax Equiv. Computed for Current Year	$	**1,158,106**

PROPERTY TAX EQUIVALENT - TOTAL

PROPERTY TAX EQUIVALENT CALCULATION		
1. Utility Plant, Jan 1	$	65,134,859
2. Materials & Supplies	$	266,045
3. Subtotal	$	**65,400,904**
4. Less: Plant Outside Limits	$	2,204,368
5. Taxable Assets	$	**63,196,536**
6. Assessed Value	$	**57,179,910**
7. Tax Equiv. Computed for Current Year	$	**1,158,106**
8. Tax Equivalent per 1994 PSC Report	$	560,533
9. Amount of Lower Tax Equiv. as Authorized by Municipality for Current Year (see notes)	$	
10. Tax Equivalent for Current Year (see notes)	$	**1,158,106**

Water Utility Plant in Service - Plant Financed by Utility or Municipality

- All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- For each account over $100,000 (class AB) or $50,000 (class C) or $10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Increase or (Decrease) (e)	Balance End of Year (f)	
INTANGIBLE PLANT						1
Organization (301)	0				0	2
Franchises and Consents (302)	0				0	3
Miscellaneous Intangible Plant (303)	0				0	4
Total Intangible Plant	**0**	**0**	**0**	**0**	**0**	5
SOURCE OF SUPPLY PLANT						6
Land and Land Rights (310)	0				0	7
Structures and Improvements (311)	0				0	8
Collecting and Impounding Reservoirs (312)	0				0	9
Lake, River and Other Intakes (313)	627,615				627,615	10
Wells and Springs (314)	0				0	11
Supply Mains (316)	0				0	12
Other Water Source Plant (317)	0				0	13
Total Source of Supply Plant	**627,615**	**0**	**0**	**0**	**627,615**	14
PUMPING PLANT						15
Land and Land Rights (320)	2,475				2,475	16
Structures and Improvements (321)	2,536,584	25,863	14,227		2,548,220	17
Other Power Production Equipment (323)	419,305				419,305	18
Electric Pumping Equipment (325)	2,064,060	65,444	26,817		2,102,687	19
Diesel Pumping Equipment (326)	0				0	20
Other Pumping Equipment (328)	653,951				653,951	21
Total Pumping Plant	**5,676,375**	**91,307**	**41,044**	**0**	**5,726,638**	22
WATER TREATMENT PLANT						23
Land and Land Rights (330)	13,330				13,330	24
Structures and Improvements (331)	5,001,410				5,001,410	25
Sand or Other Media Filtration Equipment (332)	5,763,589	363,192			6,126,781	26
Membrane Filtration Equipment (333)	0				0	27
Other Water Treatment Equipment (334)	1,679,796				1,679,796	28
Total Water Treatment Plant	**12,458,125**	**363,192**	**0**	**0**	**12,821,317**	29
TRANSMISSION AND DISTRIBUTION PLANT						30
Land and Land Rights (340)	178,095	180,788			358,883	31
Structures and Improvements (341)	751,689	7,897			759,586	32
Distribution Reservoirs and Standpipes (342)	5,037,814		2,385		5,035,429	33
Transmission and Distribution Mains (343)	25,755,614	32,801	9,295		25,779,120	34
Services (345)	0				0	35
Meters (346)	3,512,956	536,709	18,765		4,030,900	36
Hydrants (348)	1,957,225	133,544	7,413		2,083,356	37

Water Utility Plant in Service - Plant Financed by Utility or Municipality

- All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- For each account over $100,000 (class AB) or $50,000 (class C) or $10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Increase or (Decrease) (e)	Balance End of Year (f)	
Other Transmission and Distribution Plant (349)	0				0	38
Total Transmission and Distribution Plant	**37,193,393**	**891,739**	**37,858**	**0**	**38,047,274**	39
GENERAL PLANT						40
Land and Land Rights (389)	0				0	41
Structures and Improvements (390)	594,464		13,000		581,464	42
Office Furniture and Equipment (391)	58,171	1,623	622	13,000	72,172 *	43
Computer Equipment (391.1)	252,668	3,975	3,880		252,763	44
Transportation Equipment (392)	471,328	85,619	40,087		516,860	45
Stores Equipment (393)	0				0	46
Tools, Shop and Garage Equipment (394)	180,434	14,525	1,990		192,969	47
Laboratory Equipment (395)	25,772				25,772	48
Power Operated Equipment (396)	445,442	17,292			462,734	49
Communication Equipment (397)	60,501				60,501	50
SCADA Equipment (397.1)	433,328	96,785	41,235		488,878	51
Miscellaneous Equipment (398)	0				0	52
Total General Plant	**2,522,108**	**219,819**	**100,814**	**13,000**	**2,654,113**	53
Total utility plant in service directly assignable	**58,477,616**	**1,566,057**	**179,716**	**13,000**	**59,876,957**	54
Common Utility Plant Allocated to Water Department	0				0	55
TOTAL UTILITY PLANT IN SERVICE	**58,477,616**	**1,566,057**	**179,716**	**13,000**	**59,876,957**	56

Water Utility Plant in Service - Plant Financed by Utility or Municipality

- All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- For each account over $100,000 (class AB) or $50,000 (class C) or $10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Water Utility Plant in Service - Plant Financed by Utility or Municipality (Page W-08)

Additions for Accounts OTHER than 316, 343, 345, 346 and 348 exceed $100,000, please explain. If applicable, provide construction authorization

Acct #332 - this work was related to the replacement of filter #10.

Adjustments for one or more accounts are nonzero, please explain.

Acct #391 - reclassification of retirement amount to acct #390; incorrectly applied to acct #391 in 2017.

Water Utility Plant in Service - Plant Financed by Contributions

- All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- For each account over $100,000 (class AB) or $50,000 (class C) or $10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Increase or (Decrease) (e)	Balance End of Year (f)	
INTANGIBLE PLANT						1
Organization (301)	0				0	2
Franchises and Consents (302)	0				0	3
Miscellaneous Intangible Plant (303)	0				0	4
Total Intangible Plant	**0**	**0**	**0**	**0**	**0**	5
SOURCE OF SUPPLY PLANT						6
Land and Land Rights (310)	0				0	7
Structures and Improvements (311)	0				0	8
Collecting and Impounding Reservoirs (312)	0				0	9
Lake, River and Other Intakes (313)	0				0	10
Wells and Springs (314)	0				0	11
Supply Mains (316)	0				0	12
Other Water Source Plant (317)	0				0	13
Total Source of Supply Plant	**0**	**0**	**0**	**0**	**0**	14
PUMPING PLANT						15
Land and Land Rights (320)	0				0	16
Structures and Improvements (321)	0				0	17
Other Power Production Equipment (323)	0				0	18
Electric Pumping Equipment (325)	0				0	19
Diesel Pumping Equipment (326)	0				0	20
Other Pumping Equipment (328)	0				0	21
Total Pumping Plant	**0**	**0**	**0**	**0**	**0**	22
WATER TREATMENT PLANT						23
Land and Land Rights (330)	0				0	24
Structures and Improvements (331)	298,865				298,865	25
Sand or Other Media Filtration Equipment (332)	295,357				295,357	26
Membrane Filtration Equipment (333)	0				0	27
Other Water Treatment Equipment (334)	0				0	28
Total Water Treatment Plant	**594,222**	**0**	**0**	**0**	**594,222**	29
TRANSMISSION AND DISTRIBUTION PLANT						30
Land and Land Rights (340)	0				0	31
Structures and Improvements (341)	0				0	32
Distribution Reservoirs and Standpipes (342)	0				0	33
Transmission and Distribution Mains (343)	5,404,183				5,404,183	34
Services (345)	0				0	35
Meters (346)	0				0	36
Hydrants (348)	397,536				397,536	37

Water Utility Plant in Service - Plant Financed by Contributions

- All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- For each account over $100,000 (class AB) or $50,000 (class C) or $10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Increase or (Decrease) (e)	Balance End of Year (f)	
Other Transmission and Distribution Plant (349)	0				0	38
Total Transmission and Distribution Plant	**5,801,719**	**0**	**0**	**0**	**5,801,719**	39
GENERAL PLANT						40
Land and Land Rights (389)	0				0	41
Structures and Improvements (390)	0				0	42
Office Furniture and Equipment (391)	0				0	43
Computer Equipment (391.1)	0				0	44
Transportation Equipment (392)	0				0	45
Stores Equipment (393)	0				0	46
Tools, Shop and Garage Equipment (394)	0				0	47
Laboratory Equipment (395)	0				0	48
Power Operated Equipment (396)	0				0	49
Communication Equipment (397)	0				0	50
SCADA Equipment (397.1)	0				0	51
Miscellaneous Equipment (398)	0				0	52
Total General Plant	**0**	**0**	**0**	**0**	**0**	53
Total utility plant in service directly assignable	**6,395,941**	**0**	**0**	**0**	**6,395,941**	54
Common Utility Plant Allocated to Water Department	0				0	55
TOTAL UTILITY PLANT IN SERVICE	**6,395,941**	**0**	**0**	**0**	**6,395,941**	56

Water Accumulated Provision for Depreciation - Plant Financed by Utility or Municipality

- Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
- If more than one depreciation rate is used, report the average rate in column (c).
- Enter depreciation rates in decimal form. For example, enter 6.75% as 0.0675

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Book Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Adjustments Increase or (Decrease) (h)	Balance End of Year (i)	
SOURCE OF SUPPLY PLANT									1
Structures and Improvements (311)	0							**0**	2
Collecting and Impounding Reservoirs (312)	0							**0**	3
Lake, River and Other Intakes (313)	432,558	1.70%	10,669					**443,227**	4
Wells and Springs (314)	0							**0**	5
Supply Mains (316)	0							**0**	6
Other Water Source Plant (317)	0							**0**	7
Total Source of Supply Plant	**432,558**		**10,669**	**0**	**0**	**0**	**0**	**443,227**	8
PUMPING PLANT									9
Structures and Improvements (321)	791,695	3.20%	81,357	14,227				**858,825**	10
Other Power Production Equipment (323)	114,408	4.40%	18,449					**132,857**	11
Electric Pumping Equipment (325)	1,499,396	4.40%	91,668	26,817				**1,564,247**	12
Diesel Pumping Equipment (326)	0							**0**	13
Other Pumping Equipment (328)	653,951	4.40%						**653,951**	14
Total Pumping Plant	**3,059,450**		**191,474**	**41,044**	**0**	**0**	**0**	**3,209,880**	15
WATER TREATMENT PLANT									16
Structures and Improvements (331)	1,935,469	3.20%	160,045					**2,095,514**	17
Sand or Other Media Filtration Equipment (332)	2,235,354	3.30%	196,191					**2,431,545**	18
Membrane Filtration Equipment (333)	0							**0**	19
Other Water Treatment Equipment (334)	184,263	6.00%	100,788					**285,051**	20
Total Water Treatment Plant	**4,355,086**		**457,024**	**0**	**0**	**0**	**0**	**4,812,110**	21
TRANSMISSION AND DISTRIBUTION PLANT									22
Structures and Improvements (341)	512,653	3.20%	24,180					**536,833**	23
Distribution Reservoirs and Standpipes (342)	1,388,050	1.90%	95,696	2,385				**1,481,361**	24
Transmission and Distribution Mains (343)	4,742,427	1.30%	334,977	9,295				**5,068,109**	25
Services (345)	0							**0**	26
Meters (346)	1,752,731	5.50%	207,457	18,765				**1,941,423**	27

Age of Water Mains

- If asset management, capital improvement, or other infrastructure-related documents are not available, the utility should consult other potential sources of information: the year the utility was formed, year of initial build-out area, year in which new developments, subdivisions, etc. were added. This information can be used to develop estimated figures.
- If pipe diameter value is between those offered in the column, choose the diameter that is closest to the actual value.
- Report all pipe larger than 72" in diameter in the 72" category.

	Feet of Main											
Pipe Size (a)	pre-1900 (b)	1901-1920 (c)	1920-1940 (d)	1941-1960 (e)	1961-1970 (f)	1971-1980 (g)	1981-1990 (h)	1991-2000 (i)	2001-2010 (j)	2011-2020 (k)	Total (l)	
1.000					204						**204**	1
1.250		185	203								**388**	2
1.500				140	45						**185**	3
2.000		85									**85**	4
3.000		250									**250**	5
4.000	2,356	16,975	2,689	348	682	1,706				4	**24,760**	6
6.000	55,962	74,526	120,020	80,263	80,197	25,839	4,566	7,252	451	1,012	**450,088**	7
8.000	10,747	16,128	16,482	8,909	17,290	25,030	34,128	34,059	8,242	6,109	**177,124**	8
10.000	7,576	7,316	6,369	9,941	7,067	532	398			4	**39,203**	9
12.000	12,020	20,778	19,007	25,055	26,072	26,312	40,773	26,967	20,093	12,524	**229,601**	10
14.000			5,639								**5,639**	11
16.000	6,400	8,852	3,110	6,226	3,579	6,070	5,814	11,190	11,226	17,505	**79,972**	12
18.000	470					2,658					**3,128**	13
20.000		9,058		3,778				2,905	2,512	15,222	**33,475**	14
24.000						8,466		5,468	9,404	4,267	**27,605**	15
30.000			8,971		7,263	1,191			5,582		**23,007**	16
36.000							678				**678**	17
Total	**95,531**	**154,153**	**182,490**	**134,660**	**142,399**	**97,804**	**86,357**	**87,841**	**57,510**	**56,647**	**1,095,392**	18

If utility is unable to provide the detailed information above, utility must provide the following:
All utility main is from this year range
(Example: 1954-1972)

Describe source of information used to develop data:
Electronic database using mapping software and systems.

Sources of Water Supply - Statistics

- For Raw Water Withdrawn, use metered volume of untreated water withdrawn from the source.
- For Finished Water Pumped, use metered volume of treated water entering the distribution network, adjusted for known meter errors.
- If Finished Water is not metered, use Raw Water Withdrawn and subtract estimated water used in treatment.

	Sources of Water Supply (000's gal)						Total Gallons	
	Raw Water Withdrawn		Finished Water Pumped		Purchased Water (Imported)		Entering Distribution	
Month (a)	Ground Water (b)	Surface Water (c)	Ground Water (d)	Surface Water (e)	Ground Water (f)	Surface Water (g)	System (h)	
January		399,680		391,270			**391,270**	1
February		350,119		344,326			**344,326**	2
March		372,496		369,129			**369,129**	3
April		372,016		364,570			**364,570**	4
May		417,762		413,213			**413,213**	5
June		446,477		444,082			**444,082**	6
July		464,023		460,565			**460,565**	7
August		481,602		476,981			**476,981**	8
September		420,042		416,508			**416,508**	9
October		410,345		408,428			**408,428**	10
November		372,261		368,155			**368,155**	11
December		352,237		350,255			**350,255**	12
TOTAL	**0**	**4,859,060**	**0**	**4,807,482**	**0**	**0**	**4,807,482**	13

Water Audit and Other Statistics

- Where possible, report actual metered values. If water uses are not metered, estimate values for each line based on best available information. For assistance, refer to AWWA M36 Manual – Water Audits and Loss Control Programs.
- For unbilled, unmetered gallons (line 16), include water used for system operation and maintenance and water used for non-regulated sewer utility.
- If gallons estimated due to theft, data, and billing errors is unknown, multiply net gallons entering distribution system (line 3) by .0025.

Description (a)	Value (b)
WATER AUDIT STATISTICS	
Finished Water pumped or purchased (000s)	4,807,482
Less: Gallons (000s) sold to wholesale customers (exported water)	654,071
Subtotal: Net gallons (000s) entering distribution system	**4,153,411**
Less: Gallons (000s) sold to retail customers - Billed Authorized Consumption	3,829,101
Gallons (000s) of Non-Revenue Water	**324,310**
Gallons (000s) of unbilled-metered (including customer use to prevent freezing)	0
Gallons (000s) of unbilled-unmetered (including unmetered flushing, fire protection)	19,678
Subtotal: Unbilled Authorized Consumption	**19,678**
Total Water Loss	**304,632**
Gallons (000s) estimated due to theft, data, and billing errors (default)	10300
Gallons (000s) estimated due to customer meter under-registration	2,000
Subtotal Apparent Losses	**12,300**
Gallons (000s) estimated due to reported leakage (mains, services, hydrants, overflows)	29,867
Gallons (000s) estimated due to unreported and background leakage	262,465
Subtotal Real Losses (leakage)	**292,332**
Non-Revenue Water as percentage of net water supplied	8%
Total Water Loss as percentage of net water supplied	7%
OTHER STATISTICS	
Maximum gallons (000s) pumped by all methods in any one day during reporting year	18,178
Date of maximum	08/14/2018
Cause of maximum	
Seasonal demand/usage increase	
Minimum gallons (000s) pumped by all methods in any one day during reporting year	8,590
Date of minimum	04/01/2018
Total KWH used by the utility (including pumping, treatment facilities and other utility operations)	6,779,038
If water is purchased:	
Vendor Name	
Point of Delivery	
Source of purchased water	
Vendor Name (2)	
Point of Delivery (2)	
Source of purchased water (2)	
Vendor Name (3)	
Point of Delivery (3)	
Source of purchased water (3)	
Number of main breaks repaired this year	24
Number of service breaks repaired this year	23

Sources of Water Supply - Well Information

- Enter characteristics for each of the utility's functional wells (regardless of whether it is "in service" or not).
- Do not include abandoned wells on this schedule.
- All abandoned wells should be retired from the plant accounts and no longer listed in the utility's annual report.
- Abandoned wells should be permanently filled and sealed per Wisconsin Administrative codes Chapters NR811 and NR812.

- - - THIS SCHEDULE NOT APPLICABLE TO THIS UTILITY- - -

Sources of Water Supply - Intake Information

	Description (a)	Distance From Shore (feet) (b)	Depth Below Surface (feet) (c)	Diameter (inches) (d)	
LAKE MICHIGAN 1		2,100	30	36	1
LAKE MICHIGAN 2		5,000	46	30	2

Pumping & Power Equipment

	Pump						Pump Motor or Standby Engine			
Identification (a)	Location (b)	Primary Purpose (c)	Primary Destination (d)	Year Installed (e)	Type (f)	Actual Capacity (gpm) (g)	Year Installed (j)	Type (k)	Horse-power (l)	
EE #1	4200 COUNTY RD OK	Booster	Distribution	2008	Centrifugal	350	2008	Electric	20	1
ERIE #1	4024 ERIE AVE	Booster	Distribution	2007	Centrifugal	4,200	2007	Electric	200	2
ERIE #2	4024 ERIE AVE	Booster	Distribution	2007	Centrifugal	4,200	2007	Electric	200	3
ERIE #3	4024 ERIE AVE	Booster	Distribution	2007	Centrifugal	4,200	2007	Electric	200	4
ERIE GENERATOR	4024 ERIE AVE	Standby	Distribution	2007	Other	8,400	2007	Natural Gas	500	5
GEORGIA #1	2935 GEORGIA AVE	Booster	Distribution	1971	Vertical Turbine	1,040	1971	Electric	30	6
GEORGIA #2	2935 GEORGIA AVE	Booster	Distribution	1971	Vertical Turbine	1,040	1971	Electric	30	7
GEORGIA #3	2935 GEORGIA AVE	Booster	Distribution	1971	Vertical Turbine	1,040	1971	Electric	30	8
GEORGIA #4	2935 GEORGIA	Booster	Distribution	2000	Centrifugal	2,600	2008	Electric	125	9
GEORGIA #4 GAS	2935 GEORGIA AVE	Standby	Distribution	2000	Centrifugal	2,600	2000	Natural Gas	100	10
GEORGIA #5	2935 GEORGIA AVE	Booster	Distribution	2008	Centrifugal	5,000	2008	Electric	200	11
GEORGIA GENERATOR	2935 GEORGIA AVE	Standby	Distribution	1971	Other	2,080	1971	Natural Gas	290	12
HIGH LIFT #1	72A PARK AVE HIGH LIFT	Primary	Distribution	1990	Centrifugal	10,069	1990	Electric	700	13
HIGH LIFT #2	72A PARK AVE	Primary	Distribution	1937	Centrifugal	6,380	2005	Electric	400	14
HIGH LIFT #3	72A PARK AVE HIGH LIFT	Primary	Distribution	1951	Centrifugal	6,800	2013	Electric	350	15
HIGH LIFT #3 GAS	72A PARK AVE HIGH LIFT	Standby	Distribution	1951	Centrifugal	6,800	1990	Natural Gas	400	16
HIGH LIFT #4	72A PARK AVE HIGH LIFT	Primary	Distribution	1990	Centrifugal	10,069	2004	Electric	700	17
HIGH LIFT #4 GAS	72A PARK AVE	Standby	Distribution	1990	Centrifugal	10,069	1990	Natural Gas	700	18
HIGH LIFT #5	72A PARK AVE HIGH LIFT	Primary	Distribution	1972	Centrifugal	10,000	2003	Electric	700	19
LOW LIFT #6	72A PARK AVE LOW LIFT	Primary	Treatment	1980	Centrifugal	5,556	1992	Electric	150	20
LOW LIFT #7	72A PARK AVE LOW LIFT	Standby	Treatment	1931	Centrifugal	8,400	1991	Natural Gas	200	21
LOW LIFT #9	72A PARK AVE LOW LIFT	Primary	Treatment	1959	Centrifugal	9,000	2004	Electric	150	22
LOWLIFT #8	72A PARK AVE LOW LIFT	Primary	Treatment	1991	Centrifugal	13,200	1991	Electric	200	23

Pumping & Power Equipment

	Pump						Pump Motor or Standby Engine			
Identification (a)	Location (b)	Primary Purpose (c)	Primary Destination (d)	Year Installed (e)	Type (f)	Actual Capacity (gpm) (g)	Year Installed (j)	Type (k)	Horse-power (l)	
PLANT GENERATOR	72A PARK AVE	Standby	Treatment	1991	Other	9,000	1991	Natural Gas	375	24
WASH PUMP #10	72A PARK AVE WASH PUMP	Primary	Treatment	1959	Centrifugal	5,200	1959	Electric	100	25
WASH PUMP 2 #11	72A PARK AVE WASH PUMP	Standby	Treatment	2013	Centrifugal	8,000	2013	Electric	200	26
WILGUS #1	3169 WILGUS AVE	Booster	Distribution	1986	Centrifugal	250	1986	Electric	7	27
WILGUS #2	3169 WILGUS AVE	Booster	Distribution	1986	Centrifugal	650	2006	Electric	20	28
WILGUS #2 GAS	3169 WILGUS AVE	Standby	Distribution	1986	Centrifugal	650	2011	Natural Gas	30	29
WILGUS #3	3169 WILGUS AVE	Booster	Distribution	1986	Centrifugal	1,500	2011	Electric	60	30

Reservoirs, Standpipes and Elevated Tanks

- Enter elevation difference between highest water level in Standpipe or Elevated Tank, (or Reservoir only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

	Facility Name (a)	Facility ID Site Code (b)	Year Constructed (c)	Type (d)	Primary Material (e)	Elevation Difference in Feet (f)	Total Capacity In Gallons (g)	
1	EE TOWER	1	1989	Elevated Tank	Steel	146	500,000	1
2	ERIE - NORTH	4	2007	Reservoir	Concrete	60	3,000,000	2
3	ERIE - SOUTH	5	2007	Reservoir	Concrete	60	3,000,000	3
4	GEORGIA AVE STANDPIPE	2	1959	Standpipe	Steel	104	2,000,000	4
5	TAYLOR	3	1933	Elevated Tank	Steel	54	4,000,000	5

Water Treatment Plant

- Provide a generic description for (a). Do not give specific address of location.
- Please select all that apply for (d) and (e). If Other is selected please explain in Notes (h).
- Please identity the point of application for each treatment plant for (g). For example, please list each well or central treatment facility served by this unit.

Unit Description (a)	Year Constructed (b)	Rated Capacity (mgd) (c)	Disinfection (d)	Additional Treatment (e)	Fluoridated (f)	Point of Application (g)	Notes (h)	
EE TOWER	1989	500000	x Utraviole Light x Liquid Chlorine _ Gas Chlorine _ Ozone _ Other _ None	x Flocculation/Sedimentation x Sand Filtraton _ Activated Carbon Filtration _ Membrance Filtration _ Iron Exchange _ Iron/Manganese _ Nutrient Removal _ Radium Removal _ Other	Yes	CENTRAL FACILITIES		1
TAYLOR	1933	4000000	x Utraviole Light x Liquid Chlorine _ Gas Chlorine _ Ozone _ Other _ None	x Flocculation/Sedimentation x Sand Filtraton _ Activated Carbon Filtration _ Membrance Filtration _ Iron Exchange _ Iron/Manganese _ Nutrient Removal _ Radium Removal _ Other	Yes	CENTRAL FACILITIES		2

Water Mains

- Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
- Explain all reported adjustments as a schedule footnote.
- For main additions reported in column (e), as a schedule footnote:
  - Explain how the additions were financed.
  - If assessed against property owners, explain the basis of the assessments.
  - If the assessments are deferred, explain.
- Report all pipe larger than 72" in diameter in the 72" category.

			Number of Feet					
Pipe Material (a)	Main Function (b)	Diameter (inches) (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
Other Metal	Distribution	1	204				204	1
Other Metal	Distribution	1 1/4	388				388	2
Other Metal	Distribution	1 1/2	185				185	3
Other Plastic	Distribution	2	85				85	4
Other Metal	Distribution	3	250				250	5
Other Metal	Distribution	4	24,760				24,760	6
Other Metal	Distribution	6	453,449	52	3,623		449,878	7
Other Metal	Distribution	8	173,315	257			173,572	8
Other Metal	Distribution	10	39,199	4			39,203	9
Other Metal	Distribution	12	218,673	502	95		219,080	10
Other Metal	Distribution	14	5,639				5,639	11
Other Metal	Distribution	16	74,236	2,903			77,139	12
Other Metal	Distribution	18	3,128				3,128	13
Concrete	Transmission	20	3,430				3,430	14
Other Metal	Distribution	20	29,069				29,069	15
Other Metal	Distribution	24	5,389				5,389	16
Other Metal	Transmission	24	22,216				22,216	17
Other Metal	Distribution	30	9,772				9,772	18
Other Metal	Transmission	30	12,605				12,605	19
Other Metal	Transmission	36	678				678	20
Total Within Municipality			**1,076,670**	**3,718**	**3,718**		**1,076,670**	21
Other Metal	Distribution	6	210				210	22
Other Metal	Distribution	8	3,552				3,552	23
Other Metal	Distribution	12	10,471				10,471	24
Other Metal	Distribution	16	2,833				2,833	25
PVC	Distribution	20	976				976	26
Other Metal	Transmission	30	680				680	27
Total Outside Municipality			**18,722**				**18,722**	28
Total Utility			**1,095,392**	**3,718**	**3,718**		**1,095,392**	29

Water Mains

- Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
- Explain all reported adjustments as a schedule footnote.
- For main additions reported in column (e), as a schedule footnote:
  - Explain how the additions were financed.
  - If assessed against property owners, explain the basis of the assessments.
  - If the assessments are deferred, explain.
- Report all pipe larger than 72" in diameter in the 72" category.

Water Mains (Page W-21)

Added During Year total is greater than zero, please explain financing following the criteria listed in the schedule headnotes.

Water mains added during 2018 were financed by regular water revenues; new properties within city limits were assessed on street frontage at the rate stated in municipal code; properties outside city limits were assessed on street frontage at the rate stated in municipal code and deferred to the city for payment.

General Footnote

The Sheboygan Water Utility continues to update water main records into an electronic database using mapping software and systems. The use of mapping tools has enabled the Utility to more accurately account for the water main in the distribution system. Adjustments, if any, are the result of continued work on this project.

Utility-Owned Water Service Lines

- The utility's service line is the pipe from the main to and through the curb stop.
- Explain all reported adjustments as a schedule footnote.
- Report in column (h) the number of utility-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- For service lines added during the year in column (d), as a schedule footnote:
  - Explain how the additions were financed.
  - If assessed against property owners, explain the basis of the assessments.
  - If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of service lines recorded under this method.
  - If any were financed by application of Cz-1, provide the total amount recorded and the number of service lines recorded under this method.
- Report service lines separately by diameter and pipe materials.

Pipe Material (a)	Diameter (inches) (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	NOT in Use at End of Year (h)	
Galvanized	0.500	568			(49)	519		1
Lead	0.500				440	440		2
Other Metal	0.500	5,896			(843)	5,053		3
Copper	0.500	2			33	35		4
Lead	0.625	4,726		99	(719)	3,908		5
Other Metal	0.625	5			206	211		6
Copper	0.625				5	5		7
Other Plastic	0.625				1	1		8
Unlined Cast Iron (pre-early 1950's)	0.625	1				1		9
Galvanized	0.750				4	4		10
Lead	0.750	1			27	28		11
Other Metal	0.750	8			50	58		12
Copper	0.750	6,720			(609)	6,111		13
Other Plastic	0.750				5	5		14
Unlined Cast Iron (pre-early 1950's)	0.750	1				1		15
Ductile Iron, Lined (late 1960's to present)	1.000	1			(1)	0		16
Lead	1.000	2			14	16		17
Other Metal	1.000	2			(1)	1		18
Copper	1.000	932	10		637	1,579		19
Other Plastic	1.000	154	102		40	296		20
Unlined Cast Iron (pre-early 1950's)	1.000	1			1	2		21
Copper	1.250	19			3	22		22
Other Plastic	1.250	1				1		23
Lead	1.500				1	1		24
Copper	1.500	51			49	100		25
Unlined Cast Iron (pre-early 1950's)	1.500	3				3		26
Other Metal	2.000				3	3		27
Copper	2.000	47			15	62		28
Other Plastic	2.000	5			8	13		29
Unlined Cast Iron (pre-early 1950's)	2.000	5			1	6		30
PVC	2.000				2	2		31

Utility-Owned Water Service Lines

- The utility's service line is the pipe from the main to and through the curb stop.
- Explain all reported adjustments as a schedule footnote.
- Report in column (h) the number of utility-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- For service lines added during the year in column (d), as a schedule footnote:
  - Explain how the additions were financed.
  - If assessed against property owners, explain the basis of the assessments.
  - If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of service lines recorded under this method.
  - If any were financed by application of Cz-1, provide the total amount recorded and the number of service lines recorded under this method.
- Report service lines separately by diameter and pipe materials.

Ductile Iron, Lined (late 1960's to present)	2.500	1			1	2	32
Ductile Iron, Lined (late 1960's to present)	3.000	2			(2)	0	33
Unlined Cast Iron (pre-early 1950's)	3.000	10			(1)	9	34
Ductile Iron, Lined (late 1960's to present)	4.000	45			(7)	38	35
Unlined Cast Iron (pre-early 1950's)	4.000	47			(3)	44	36
PVC	4.000	6			(3)	3	37
Ductile Iron, Lined (late 1960's to present)	6.000	72			122	194	38
Galvanized	6.000				1	1	39
Lead	6.000				23	23	40
Other Metal	6.000				4	4	41
Copper	6.000				5	5	42
Other Plastic	6.000				2	2	43
Unlined Cast Iron (pre-early 1950's)	6.000	46			(10)	36	44
PVC	6.000	28			(1)	27	45
Ductile Iron, Lined (late 1960's to present)	8.000	50			274	324	46
Unlined Cast Iron (pre-early 1950's)	8.000	41			(10)	31	47
PVC	8.000	58			(13)	45	48
Ductile Iron, Lined (late 1960's to present)	10.000	1			11	12	49
Unlined Cast Iron (pre-early 1950's)	10.000	2			3	5	50
PVC	10.000	2				2	51
Ductile Iron, Lined (late 1960's to present)	12.000	2			(2)	0	52
Copper	12.000				1	1	53
Unlined Cast Iron (pre-early 1950's)	12.000	2			(2)	0	54
PVC	12.000	2			(2)	0	55
Ductile Iron, Lined (late 1960's to present)	24.000	3			(3)	0	56
Unlined Cast Iron (pre-early 1950's)	30.000	1				1	57
Utility Total		**19,572**	**112**	**99**	**(289)**	**19,296**	58

Utility-Owned Water Service Lines

- The utility's service line is the pipe from the main to and through the curb stop.
- Explain all reported adjustments as a schedule footnote.
- Report in column (h) the number of utility-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- For service lines added during the year in column (d), as a schedule footnote:
  - Explain how the additions were financed.
  - If assessed against property owners, explain the basis of the assessments.
  - If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of service lines recorded under this method.
  - If any were financed by application of Cz-1, provide the total amount recorded and the number of service lines recorded under this method.
- Report service lines separately by diameter and pipe materials.

Utility-Owned Water Service Lines (Page W-22)

Additions are greater than zero AND Additions on both of the Plant in Service schedules (Account 345) are zero, please explain.

The Sheboygan Water Utility does not own any portion of water service lines. Water service lines from the water main to the meter setting are owned by property owners. Water service lines are not recorded as plant or assets on the Utility's financial statements.

Additions are greater than zero, please explain financing by following criteria listed in the schedule headnotes.

The water service lines added in 2018 from the water main to the curb stop were financed by assessment to the property owner. The assessment is based on actual per foot cost to replace the water service line from the water main to the curb stop. The amount may be paid in full, in part, or with the entire balance added to the tax roll and paid in installments. Lead water service lines added for schools and licensed/certified day care centers were funded by DNR Safe Drinking Water Loan Program principal forgiveness.

Adjustments are nonzero for one or more accounts, please explain.

The Sheboygan Water Utility does not own any portion of water services lines. Utility staff are working to identify water service line material. Adjustments are the result of on-going research and updating Utility records as materials are identified.

General Footnote

Water service lines counted for this report were obtained using Utility records, plumber's records, and electronic databases. Because the Utility does not own any portion of water service lines, there are a number of them where the material is unknown at this time. As of the date of this report, water service lines classified as "Other Metal" are of unknown material and total 5,330. Utility staff continue working to identify all water service line material. This on-going research is estimated to take several years.

Retirements are greater than zero AND Retirements on both of the Plant in Service schedules (Account 345) are zero, please explain.

The Sheboygan Water Utility does not own any portion of water service lines. Water service lines from the water main to the meter setting are owned by property owners. Water service lines are not recorded as plant or assets on the Utility's financial statements.

Total Utility-Owned Service Not In Use at End of Year is reported as zero, please explain.

All functioning and active water service lines were in use at year end.

Meters

- Include in Columns (b-f) meters in stock as well as those in service.
- Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
- Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections
- Totals by size in Column (f) should equal same size totals in Column (s).
- Explain all reported adjustments as schedule footnote.
- Do not include station meters in the meter inventory used to complete these tables.

Number of Utility-Owned Meters

Classification of All Meters at End of Year by Customers

Size of Meter	First of Year	Added During Year	Retired During Year	Adjust. Increase or Decrease	End of Year	Tested During Year	Residential	Commercial	Industrial	Public Authority	Multifamily Residential	Irrigation	Wholesale	Inter-Departmental	Utility Use	Deduct Meters	In Stock	Total	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	
3/4	18,361	100	123	78	18,416	159	16,938	909	61	13	106					13	376	**18,416**	1
1	371	5	5	2	373	2	56	212	26	22	37					10	10	**373**	2
1 1/2	229	15	1	1	244	46	5	86	15	31	79					7	21	**244**	3
2	222	15	2	3	238	51		74	32	39	54					9	30	**238**	4
3	67	6	11	(12)	50	12		19	8	10	12					1		**50**	5
4	18	6	4	(3)	17	5		3	9	2	2						1	**17**	6
6	16		1	(7)	8	4			7				1					**8**	* 7
8	3		0		3	3			3									**3**	8
10	2		0		2	2							2					**2**	9
Total	**19,289**	**147**	**147**	**62**	**19,351**	**284**	**16,999**	**1,303**	**161**	**117**	**290**		**3**			**40**	**438**	**19,351**	10

Meters

- Include in Columns (b-f) meters in stock as well as those in service.
- Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
- Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections
- Totals by size in Column (f) should equal same size totals in Column (s).
- Explain all reported adjustments as schedule footnote.
- Do not include station meters in the meter inventory used to complete these tables.

1. Indicate your residential meter replacement schedule:

Meters tested once every 10 years and replaced as needed

X All meters replaced within 20 years of installation

Other schedule as approved by PSC

2. Indicate the method(s) used to read customer meters

X Manually - remote register

Manually - inside the premises

X Radio Frequency - Drive or walk-by technology

Radio Frequency - fixed network or other automatic infrastructure (AMI)

Other

Meters

- Include in Columns (b-f) meters in stock as well as those in service.
- Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
- Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections
- Totals by size in Column (f) should equal same size totals in Column (s).
- Explain all reported adjustments as schedule footnote.
- Do not include station meters in the meter inventory used to complete these tables.

Meters (Page W-23)

Adjustments are nonzero for one or more meter sizes, please explain.

All adjustments are reclassifications made by the Utility to correct previously reported meter counts and/or inventory counts.

General Footnote

6" meters sent to be tested late 2018. Tested early 2019.

Hydrants and Distribution System Valves

- Distinguish between fire and flushing hydrants by lead size.
  - Fire hydrants normally have a lead size of 6 inches or greater.
  - Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
- Explain all reported adjustments in the schedule footnotes.
- Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire - Outside Municipality	47				47	1
Fire - Within Municipality	2,015	35	34		2,016	2
Total Fire Hydrants	**2,062**	**35**	**34**	**0**	**2,063**	3
Flushing Hydrants	0				0	4

NR810.13(2)(a) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of Hydrants operated during year	1,104
Number of Distribution System Valves end of year	3,228
Number of Distribution Valves operated during Year	885

List of All Station and Wholesale Meters

- Definition of Station Meter is any meter in service not used to measure customer consumption.
- Definition of Wholesale Meter is any meter used to measure sales to other utilities.
- Retail customer meters should not be included in this inventory.

Purpose (a)	Meter Size (inches) (b)	Location or Description (c)	Type (d)	Date of Last Meter Test (e)		
Station Meter	>= 24-inch	High Lift (east)	Magnetic	04/30/2018		1
Station Meter	>= 24-inch	High Lift (west)	Magnetic	04/30/2018		2
Station Meter	>= 24-inch	Low Lift (east/west)	Magnetic	04/30/2018		3
Station Meter	>= 24-inch	Low Lift (south)	Magnetic	04/30/2018		4
Wholesale Meter	6	Kohler South 3925 Washington	Turbine	10/30/2017	*	5
Wholesale Meter	10	Koher North 3207 Erie Ave	Magnetic	11/27/2018		6
Wholesale Meter	10	Sheboygan Falls 927 N Taylor	Turbine	11/27/2018		7

List of All Station and Wholesale Meters

- Definition of Station Meter is any meter in service not used to measure customer consumption.
- Definition of Wholesale Meter is any meter used to measure sales to other utilities.
- Retail customer meters should not be included in this inventory.

List of All Station and Wholesale Meters (Page W-26)

General Footnote

6" wholesale meter at Kohler South will be tested early 2019.

Water Conservation Programs

- List all water conservation-related expenditures for the reporting year. Include administrative costs, customer outreach and education, other program costs, and payments for rebates and other customer incentives.
- If the Commission has approved conservation program expenses, these should be charged to Account 186. Otherwise, these expenses are reported in Account 906 on Schedule W-05 (Account 691 for class D utilities).

Item Description (a)	Expenditures (b)	Number of Rebates (c)	Water Savings Gallons (d)	
Administrative and General Expenses				1
Program Administration	0	0	0	2
Customer Outreach & Education	0	0	0	3
Other Program Costs	0	0	0	4
Total Administrative and General Expenses	**0**	**0**	**0**	5
Customer Incentives				6
Residential Toilets	0	0	0	7
Multifamily/Commercial Toilets	0	0	0	8
Faucets	0	0	0	9
Showerheads	0	0	0	10
Clothes Washers	0	0	0	11
Dishwashers	0	0	0	12
Smart Irrigation Controller	0	0	0	13
Commercial Pre-Rinse Spray Valves	0	0	0	14
Cost Sharing Projects (Nonresidential Customers)	0	0	0	15
Customer Water Audits	0	0	0	16
Other Incentives	0	0	0	17
Total Customer Incentives	**0**	**0**	**0**	18
TOTAL CONSERVATION	**0**	**0**	**0**	19

Water Customers Served

- List the number of customer accounts in each municipality for which your utility provides retail general service. Do not include wholesale customers or fire protection accounts.
- Per Wisconsin state statute, a city, village, town or sanitary district owning water plant or equipment may serve customers outside its corporate limits, including adjoining municipalities. For purposes of this schedule, customers located "Within Muni Boundary" refers to those located inside the jurisdiction that owns the water utility.

Municipality (a)	Customers End of Year (b)	
Sheboygan (City) **	18,787	1
Sheboygan (Town)	12	2
Total - Sheboygan County	**18,799**	3
Total - Customers Served	**18,799**	4
Total - Outside Muni Boundary	**12**	5
Total - Within Muni Boundary **	**18,787**	6

** = *Within municipal boundary*

Privately-Owned Water Service Lines

- The privately owned service line is the pipe from the curb stop to the meter.
- Explain all reported adjustments in columns(f) as a schedule footnote.
- Report in column (h) the number of privately-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- Separate reporting of service lines by diameter and pipe material.

Pipe Material (a)	Diameter (inches) (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Service Laterals Not in Use at End of Year (i)	Replaced During Year Using Financial Assistance from Utility (h)	
Galvanized	0.500	754		1	(72)	681			1
Lead	0.500				12	12			2
Other Metal	0.500	5,885			(851)	5,034			3
Copper	0.500	2			2	4			4
Galvanized	0.625				2	2			5
Lead	0.625	5,090		85	(316)	4,689			6
Other Metal	0.625	5			204	209			7
Copper	0.625				11	11			8
Unlined Cast Iron (pre-early 1950's)	0.625	1				1			9
Galvanized	0.750				11	11			10
Lead	0.750	1		1	42	42			11
Other Metal	0.750	8			58	66			12
Copper	0.750	6,198	7		(396)	5,809			13
Other Plastic	0.750		6		(1)	5			14
Unlined Cast Iron (pre-early 1950's)	0.750	1				1			15
Lead	1.000	3			21	24			16
Other Metal	1.000	2			(2)	0			17
Copper	1.000	856	7		426	1,289			18
Other Plastic	1.000	222	77		47	346			19
Unlined Cast Iron (pre-early 1950's)	1.000	1			1	2			20
Lead	1.250				2	2			21
Copper	1.250	18			34	52			22
Other Plastic	1.250	1				1			23
Lead	1.500				2	2			24
Copper	1.500	51			62	113			25
Other Plastic	1.500				4	4			26
Unlined Cast Iron (pre-early 1950's)	1.500	3				3			27
Lead	2.000				1	1			28
Other Metal	2.000				4	4			29
Copper	2.000	46			37	83			30
Other Plastic	2.000	6			12	18			31
Unlined Cast Iron (pre-early 1950's)	2.000	5			1	6			32
PVC	2.000				2	2			33

Privately-Owned Water Service Lines

- The privately owned service line is the pipe from the curb stop to the meter.
- Explain all reported adjustments in columns(f) as a schedule footnote.
- Report in column (h) the number of privately-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- Separate reporting of service lines by diameter and pipe material.

Ductile Iron, Lined (late 1960's to present)	2.500	1			1	2	34
Ductile Iron, Lined (late 1960's to present)	3.000	2			(2)	0	35
Unlined Cast Iron (pre-early 1950's)	3.000	10			(1)	9	36
Ductile Iron, Lined (late 1960's to present)	4.000	45			(7)	38	37
Unlined Cast Iron (pre-early 1950's)	4.000	47			(3)	44	38
PVC	4.000	6			(3)	3	39
Ductile Iron, Lined (late 1960's to present)	6.000	72			122	194	40
Other Metal	6.000				2	2	41
Other Plastic	6.000				2	2	42
Unlined Cast Iron (pre-early 1950's)	6.000	46			(13)	33	43
PVC	6.000	28			(1)	27	44
Ductile Iron, Lined (late 1960's to present)	8.000	50			273	323	45
Unlined Cast Iron (pre-early 1950's)	8.000	41			(7)	34	46
PVC	8.000	50			(14)	36	47
Ductile Iron, Lined (late 1960's to present)	10.000	1			11	12	48
Unlined Cast Iron (pre-early 1950's)	10.000	2			3	5	49
PVC	10.000	2				2	50
Ductile Iron, Lined (late 1960's to present)	12.000	2			(2)	0	51
Unlined Cast Iron (pre-early 1950's)	12.000	2			(2)	0	52
PVC	12.000	2			(2)	0	53
Ductile Iron, Lined (late 1960's to present)	24.000	3			(3)	0	54
Unlined Cast Iron (pre-early 1950's)	30.000	1				1	55
Utility Total		**19,572**	**97**	**87**	**(286)**	**19,296**	56

Privately-Owned Water Service Lines

- The privately owned service line is the pipe from the curb stop to the meter.
- Explain all reported adjustments in columns(f) as a schedule footnote.
- Report in column (h) the number of privately-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- Separate reporting of service lines by diameter and pipe material.

Privately-Owned Water Service Lines (Page W-29)

Additions are greater than zero, please explain financing by following criteria listed in the schedule headnotes.

Lead water service lines replaced in 2018 from the curb stop to the meter setting due to leaks or disturbance were funded in part by DNR Safe Drinking Water Loan Program principal forgiveness, with the balance paid by property owners. Lead water service lines replaced as part of a large water main construction project were funded in full by DNR Safe Drinking Water Loan Program principal forgiveness. Lead water service lines replaced for schools and licensed/certified day care centers were funded in full through DNR Safe Drinking Water Loan Program principal forgiveness. Replacement of water service lines not containing lead are paid for by property owners.

Adjustments are nonzero for one or more accounts, please explain.

The Sheboygan Water Utility does not own any portion of the water service lines. Utility staff are working to identify water service line material. Adjustments are the result of on-going research and updating Utility records as materials are identified.

General Footnote

Water service lines counted for this report were obtained using Utility records, plumber's records, and electronic databases. Because the Utility does not own any portion of water service lines, there are a number of them where the material is unknown at this time. As of the date of this report, water service lines classified as "Other Metal" are of unknown material and total 5,315. Utility staff continue working to identify all water service line material. This on-going research is estimated to take several years.

Total Utility-Owned Service Not In Use at End of Year is reported as zero, please explain.

All functioning and active water service lines were in use at year end.

SHEBOYGAN WATER UTILITY

An Enterprise Fund of the
City of Sheboygan, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2018 and 2017

SHEBOYGAN WATER UTILITY

An Enterprise Fund of the City of Sheboygan, Wisconsin

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INDEPENDENT AUDITORS' REPORT

To the Utility Commission
Sheboygan Water Utility
Sheboygan, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Sheboygan Water Utility, an enterprise fund of the City of Sheboygan, Wisconsin, as of and for the years ended December 31, 2018 and 2017, and the related notes to the 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sheboygan Water Utility'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 Sheboygan Water Utility'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 opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sheboygan Water Utility as of December 31, 2018 and 2017, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Sheboygan Water Utility enterprise fund and do not purport to, and do not, present fairly the financial position of the City of Sheboygan, Wisconsin, as of December 31, 2018 and 2017 and the respective changes in financial position, or cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the Sheboygan Water Utility adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective January 1, 2018. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
April 3, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

SHEBOYGAN WATER UTILITY

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended December 31, 2018 and 2017

The purpose of this section is to provide users with an objective, easy to read overview of the financial activities of the Sheboygan Water Utility for the years ended December 31, 2018 and 2017. This section should be read in conjunction with the financial statements and the accompanying notes that follow.

FINANCIAL HIGHLIGHTS

- The utility's operating income increased from $3,160,055 in 2017 to $3,596,370 in 2018.
- The utility's total cash position increased from $7,738,950 in 2017 to $9,666,679 in 2018.
- The utility's unrestricted cash and investment position increased from $6,791,575 in 2017 to $7,991,388 in 2018.
- The utility's total net position increased by $1,853,348 in 2018 to $43,946,740 after the cumulative effect of a change in accounting principle, from $42,093,392 in 2017.
- The utility's total liabilities increased by $1,762,846 in 2018 to $15,219,481, from $13,456,635 in 2017.

FINANCIAL STATEMENTS

The financial statements report information of the utility using accounting methods similar to those used by private sector companies. The statements offer both short and long term information regarding the activities of the utility. The Statements of Net Position include the utility's assets (investments), deferred outflows of resources, liabilities (obligations to creditors) and deferred inflow of resources. These statements provide information to assess the liquidity and financial flexibility of the utility.

The Statements of Revenues, Expenses and Changes in Net Position will measure the success of the utility's operations for the past year. All of the current year's revenues and expenses are included in this statement and will show if the utility has recovered all of its costs through user fees.

Cash receipts, cash payments, net changes in cash resulting from investing and financing activities are shown in the Statements of Cash Flows. This will also answer questions regarding where the cash came from, what was the cash used for, and what was the change in cash balance.

FINANCIAL ANALYSIS OF THE UTILITY

The Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position will assist in answering the question of how the past year's activities have affected the financial position of the utility. The Statements of Net Position will show the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Over a period of time this can assist in determining if the financial position is improving or deteriorating.

During 2018, the Statement of Net Position showed that net position increased $1,853,348, an increase of 4.4%, after the cumulative effect of a change in accounting principle. The increase was due to a rate increase which was effective on May 1, 2018. Total assets increased $4,130,608 or 7.5%. The utility saw a 4.11% increase in net capital assets of $1,853,679. Capital additions were financed with operating income, WDNR Safe Drinking Water Loans, and revenue bonds. Restricted net position increased to $807,602 due to the increase in redemption and reserve accounts for the bonds, bond amount reserved for construction, and net pension asset.

During 2017, the Statement of Net Position showed that net position increased $1,994,000, an increase of 4.97%. The increase was due to additional cash and investments oh hand, as well as an investment in plant in service. Total assets increased $1,546,954 or 2.89%. The utility saw a 1.58% increase in net capital assets of $705,728. Capital additions were financed with operating income, WDNR Safe Drinking Water Loans, and revenue bonds. Restricted net position increased slightly to $365,973 due to the reduction of principal and interest due on the revenue bonds.

STATEMENTS OF NET POSITION
As of December 31, 2018, 2017 and 2016

	2018	2017	2016
Unrestricted current and other assets	$ 10,153,487	$ 8,991,558	$ 8,137,765
Restricted assets	2,062,375	947,375	959,942
Capital assets	46,987,281	45,133,602	44,427,874
Total Assets	59,203,143	55,072,535	53,525,581
Deferred outflows related to pensions	729,101	815,185	1,123,908
Current liabilities payable from unrestricted assets	1,509,908	1,696,854	1,848,346
Liabilities payable from restricted assets	1,033,625	937,333	905,601
Non-current liabilities	12,675,948	10,822,448	11,372,671
Total Liabilities	15,219,481	13,456,635	14,126,618
Deferred inflows related to pensions	766,023	337,693	423,479
Net investment in capital assets	35,473,732	34,704,251	33,610,877
Restricted net position	807,602	365,973	362,790
Unrestricted net position	7,665,406	7,023,168	6,125,725
Total Net Position	$ 43,946,740	$ 42,093,392	$ 40,099,392

FINANCIAL ANALYSIS OF THE UTILITY (cont.)

The following Statements of Revenues, Expenditures and Changes in Net Position helps to further explain the nature of the increase in net position during 2018 and 2017.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2018, 2017 and 2016

	2018	2017	2016
Operating revenues	$ 9,308,950	$ 8,645,887	$ 8,639,818
Non-operating revenues	365,797	217,567	21,736
Total Revenues	9,674,747	8,863,454	8,661,554
Operating & maintenance expenses	5,712,580	5,485,832	5,353,283
Non-operating expenses	717,103	496,559	263,837
Total Expenses	6,429,683	5,982,391	5,617,120
Income before transfers	3,245,064	2,881,063	3,044,434
Capital contributions	-	250,000	238,799
Interfund transfers (tax equivalent)	(1,126,774)	(1,137,063)	(1,127,126)
Change in Net Position	2,118,290	1,994,000	2,156,107
Beginning Net Position	42,093,392	40,099,392	37,943,285
Cumulative effect of a change in accounting principle	(264,942)	-	-
Ending Total Net Position	$ 43,946,740	$ 42,093,392	$ 40,099,392

2018
The Statement of Revenues, Expenses and Changes in Net Position shows operating revenues have increased $663,063 from 2017, to $9,308,950 in 2018. A rate increase was effective May 1, 2018 and water usage increased due to seasonally dry weather and industrial activity. Operating and maintenance expenses increased by $226,748, mainly due to an increase in health care costs and an increase in water main breaks in early 2018. In 2018, non-operating revenues and expenses increased by $148,230 and $220,544, respectively, due to on-going work with the Lead Water Service Lateral Replacement Program, and costs associated with the issue of revenue bonds on March 1, 2018. The cumulative effect of a change in accounting principle is related to implementation of GASB 75 for other post-employment benefits.

2017
The Statement of Revenues, Expenses and Changes in Net Position shows operating revenues have remained relatively flat from 2016, with an increase of just $6,069 in 2017. There was no change in rates and usage remained steady. Operating and maintenance expenses increased by $132,549, mainly due to an increase in depreciation expense. In 2017, non-operating revenues and expenses increased by $195,831 and $232,722, respectively, due to the addition of the Lead Water Service Lateral Replacement Program.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS (See Note 4)

At the end of 2018 the water utility had $65.90 million in invested property, plant and equipment in service, an increase of $1,218,550 over 2017. Large projects included filter #10 rehabilitation, including media removal and painting; SCADA upgrades with radio communications; low lift impeller replacement; GAPS #5 motor replacement; and filter hall unit heater replacements. The utility also installed 52' of 6" water main; 257.3' of 8" water main at various locations; 4' of 10" water main at Union Ave; 502' of 12" water main at various locations; and 2,902.6' of 16" water main at various locations. The largest water main projects in 2018 were located at Union Avenue from Henry Street to S. 12th Street; and S. 13th Street/Henry Street from Broadway Avenue to Mead Avenue. In addition, 35 hydrants were installed at these and other various locations in the City. The utility also purchased 2.17 acres of land at N. 36th Street for future development.

At the end of 2017 the water utility had $64.68 million in invested property, plant and equipment in service, an increase of $3,158,615 over 2016. Large projects included a new driveway, security upgrades, and a new phone system at the Park Avenue plant; and bulk tanks and analyzers at the treatment plant. The utility also installed 4' of 4" water main; 215.6' of 6" water main at various locations; 1043.2' of 8" water main at various locations; 3420.7' of 12" water main at various locations; and 2420.5' of 16" water main at various locations. The largest water main projects in 2017 were located at S. Business Drive – railroad crossing; Broadway Avenue from S. 7th to S. 13th Streets; North Avenue from Calumet Drive to N. 25th Street; Michigan Avenue from N. 3rd to N. 4th Streets; and N. 15th Street at Pershing and Columbus Avenues. In addition, 32 hydrants were installed at these and other various locations in the City.

DEBT (See Note 5)

On December 31, 2018, the Sheboygan Water Utility had outstanding revenue bond debt of $12,412,080. This includes 2004 revenue bonds issued for a Safe Drinking Water Loan, balance of $993,528, to be retired in 2023; on May 1, 2013, a $3 million revenue bond was issued with a 3.5% interest rate, and a balance of $2,420,000 to be retired on 2033; on May 1, 2015, a Safe Drinking Water Loan was issued with a balance of $2,658,552 and interest rate of 1.65%, to be retired 2035; on April 20, 2016, refunding revenue bonds were issued with an interest rate of 2% and balance of $1,635,000, to be retired 2025; and on March 1, 2018, refunding revenue bonds were issued with an interest rate of 3.5% and balance of $4,705,000, to be retired 2033. These bond proceeds funded the construction of the two reservoirs at Erie Avenue and I-43, and the booster pump station completed in 2008. The 2013 revenue bond funded a backwash storage reservoir at Park Avenue, and funded various projects into 2015. The Safe Drinking Water Loan issued on May 1, 2015 funded a UV disinfection system at the treatment plant. The revenue bond issued on April 20, 2016 refunded the 2005 revenue bond issue. The revenue bond issued on March 1, 2018 refunded the 2007 revenue bond issue and funded the construction of an elevated storage tank at Horizon Drive. The remaining balance on the $302,000 debt for the Unfunded Retirement obligation is $185,391.

On December 31, 2017, the Sheboygan Water Utility had outstanding revenue bond debt of $10,919,655. This includes 2004 revenue bonds issued for a Safe Drinking Water Loan, balance of $1,176,568, to be retired in 2023; on April 15, 2007, a $4 million revenue bond was issued with a 5.00% interest rate, balance of $2,525,000 to be retired 2027; on May 1, 2013, a $3 million revenue bond was issued with a 3.5% interest rate, and a balance of $2,550,000 to be retired on 2033; on May 1, 2015, a Safe Drinking Water Loan was issued with a balance of $2,793,087 and interest rate of 1.65%, to be retired 2035; and on April 20, 2016, refunding revenue bonds were issued with an interest rate of 2% and balance of $1,875,000, to be retired 2025. These bond proceeds funded the construction of the two reservoirs at Erie Avenue and I-43, and the booster pump station completed in 2008. The 2013 revenue bond funded a backwash storage reservoir at Park Avenue, and funded various projects into 2015. The Safe Drinking Water Loan issued on May 1, 2015 funded a UV disinfection system at the treatment plant. The revenue bond issued on April 20, 2016 refunded the 2005 revenue bond issue. The remaining balance on the $302,000 debt for the Unfunded Retirement obligation is $200,615.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A rate increase was effective May 1, 2018, providing a 4.9% Rate of Return. The increase is part of a phased plan to pay for increased operating costs, water main projects, and infrastructure upgrades.

The Utility issued $4,705,000 in Revenue Bonds on March 1, 2018 to provide for the public purpose of paying the cost of extensions, additions, and improvements to the municipal water utility, including financing an elevated tank at Horizon Drive, and refunding the 2019 through 2027 maturities of the Water Utility Revenue Bonds, Series 2007, dated April 15, 2007. Construction of the new water tank is scheduled to be completed in early 2019.

Sheboygan Water Utility has a budget of $620,000 in 2019 for maintenance and painting of the elevated tank at Behrens Parkway. Large capital improvement projects in 2019 include $2,320,000 for water main replacement, $425,000 for meter radio read units, $910,000 for pump station upgrades and generator, and $530,000 for filter bed and underdrain replacement.

CONTACTING THE UTILITY FINANCIAL MANAGEMENT

This financial report is designed to provide a general easy to read overview of the finances of the Sheboygan Water Utility and to provide an overview of plans for the future. If you have any questions about this report or would like to obtain additional information, please feel free to contact the Board of Water Commissioners at 72 Park Avenue Sheboygan, WI 53081-2958 or telephone (920) 459-3800.

FINANCIAL STATEMENTS

SHEBOYGAN WATER UTILITY

STATEMENTS OF NET POSITION
As of December 31, 2018 and 2017

ASSETS	2018	2017
CURRENT ASSETS		
Cash and investments	$ 7,991,388	$ 6,791,575
Restricted Assets		
Redemption account	479,315	415,732
Customer accounts receivable	1,218,756	1,081,583
Other accounts receivable	25,114	19,041
Due from municipality	203,366	435,327
Materials and supplies	233,480	266,045
Prepayments	32,056	34,804
Total Current Assets	10,183,475	9,044,107
NONCURRENT ASSETS		
Restricted Assets		
Reserve account	715,248	531,643
Construction account	480,728	-
Net pension asset	387,084	-
Other Assets		
Special assessments receivable	449,327	363,183
Capital Assets		
Plant in service	66,272,894	64,873,557
Accumulated depreciation	(21,510,110)	(20,001,257)
Construction work in progress	2,224,497	261,302
Total Noncurrent Assets	49,019,668	46,028,428
Total Assets	59,203,143	55,072,535
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	699,746	815,185
Deferred outflows related other postemployment benefits	29,355	-
Total Deferred Outflows of Resources	729,101	815,185

LIABILITIES	2018	2017
CURRENT LIABILITIES		
Accounts payable	$ 185,797	$ 391,182
Accrued wages	19,968	5,593
Accrued taxes	1,158,106	1,166,477
Accrued interest	6,017	6,035
Accrued vacation leave	123,882	112,342
Current portion of accrued sick leave	11,197	53,448
Current portion of general obligation debt	16,138	15,225
Current Liabilities Payable from Restricted Assets		
Current portion of revenue bonds	974,828	887,574
Accrued interest	58,797	49,759
Total Current Liabilities	2,554,730	2,687,635
NONCURRENT LIABILITIES		
General obligation debt	169,253	185,390
Revenue bonds	11,437,252	10,032,081
Unamortized debt premium	297,445	41,339
Accrued sick leave	461,413	403,375
Total other postemployment benefits liability	209,720	-
Net other postemployment benefits liability	89,668	-
Net pension liability	-	106,815
Total Noncurrent Liabilities	12,664,751	10,769,000
Total Liabilities	15,219,481	13,456,635
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	763,328	337,693
Deferred inflows related to other postemployment benefits	2,695	-
Total Deferred Inflows of Resources	766,023	337,693
NET POSITION		
Net investment in capital assets	35,473,732	34,704,251
Restricted for:		
Debt service	420,518	365,973
Pension	387,084	-
Unrestricted	7,665,406	7,023,168
TOTAL NET POSITION	$ 43,946,740	$ 42,093,392

See accompanying notes to the financial statements.

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SHEBOYGAN WATER UTILITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Sales of water	$ 9,094,681	$ 8,484,209
Other	214,269	161,678
Total Operating Revenues	9,308,950	8,645,887
OPERATING EXPENSES		
Operation and maintenance	4,185,575	4,025,705
Depreciation	1,527,005	1,460,127
Total Operating Expenses	5,712,580	5,485,832
OPERATING INCOME	3,596,370	3,160,055
NONOPERATING REVENUES (EXPENSES)		
Investment income	60,544	19,531
Grant revenue	305,253	198,036
Grant expense	(304,278)	(199,008)
Interest expense	(365,872)	(304,812)
Interest charged to construction	-	2,814
Amortization of premium	29,134	4,447
Bond issuance costs	(76,087)	-
Total Nonoperating Revenues (Expenses)	(351,306)	(278,992)
Income Before Contributions and Transfers	3,245,064	2,881,063
CAPITAL CONTRIBUTIONS	-	250,000
TRANSFERS - TAX EQUIVALENT	(1,126,774)	(1,137,063)
CHANGE IN NET POSITION	2,118,290	1,994,000
NET POSITION - Beginning of Year	42,093,392	40,099,392
Cumulative effect of a change in accounting principle (See Note 13)	(264,942)	-
NET POSITION - END OF YEAR	$ 43,946,740	$ 42,093,392

See accompanying notes to the financial statements.

SHEBOYGAN WATER UTILITY

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	$ 9,507,716	$ 8,620,715
Paid to suppliers for goods and services	(2,588,865)	(2,175,740)
Paid to employees for operating payroll	(1,619,331)	(1,473,976)
Net Cash Flows From Operating Activities	5,299,520	4,970,999
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Paid to municipality for tax equivalent	(1,135,145)	(1,122,386)
Customer owned lateral financed by Utility	(196,143)	(140,377)
Collection of assessments for customer owned laterals	109,999	233,392
Debt retired on pension liability	(15,225)	(14,363)
Interest paid on pension liability	(7,623)	(7,603)
Nonoperating grant revenue	305,253	198,036
Nonoperating grant expense	(304,278)	(199,008)
Net Cash Flows From Noncapital Financing Activities	(1,243,162)	(1,052,309)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(3,541,523)	(2,420,796)
Debt retired	(3,212,574)	(860,717)
Interest paid	(349,229)	(299,131)
Proceeds from debt issue	4,705,000	463,768
Premium net of debt issuance costs	209,153	-
Net Cash Flows From Capital and Related Financing Activities	(2,189,173)	(3,116,876)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	60,544	19,531
Net Change in Cash and Cash Equivalents	1,927,729	821,345
CASH AND CASH EQUIVALENTS - Beginning of Year	7,738,950	6,917,605
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 9,666,679	$ 7,738,950
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Amortization of premium	$ 29,134	$ 4,447
Capital contribtuions	$ -	$ 250,000
Interest charged to construction	$ -	$ 2,814
Construction related accounts payable	$ 76,391	$ 61,009

	2018	2017
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 3,596,370	$ 3,160,055
Noncash items in operating income		
Depreciation	1,527,005	1,460,127
Depreciation charged to clearing and other utilities	148,564	119,740
Changes in assets, deferred outflows, liabilities, and deferred inflows		
Customer accounts receivable	(137,173)	176,328
Other accounts receivable	(6,073)	(8,355)
Due from municipality	231,961	(279,732)
Materials and supplies	32,565	14,072
Prepayments	2,748	(15,209)
Pension related deferrals and assets / liabilities	47,175	129,445
Accounts payable	(193,110)	204,086
Accrued vacation and sick leave	41,702	10,442
Other postemployment retirement benefit deferrals and liabilities	7,786	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 5,299,520	$ 4,970,999
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION ACCOUNTS		
Cash and investments - Unrestricted	$ 7,991,388	$ 6,791,575
Cash and investments - Restricted:		
Redemption account	479,315	415,732
Reserve account	715,248	531,643
Construction account	480,728	-
CASH AND CASH EQUIVALENTS	$ 9,666,679	$ 7,738,950

See accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Sheboygan Water Utility ("the Utility") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental 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 utility are described below.

REPORTING ENTITY

The utility is a separate enterprise fund of the City of Sheboygan (municipality). The utility is managed by a utility commission. The utility provides water service to properties within the municipality. The utility also procides wholesale service to the City of Sheboygan Falls and Village of Kohler.

The water utility operates under service rules and rates established by the Public Service Commission of Wisconsin (PSCW). The accounting records of the utility are maintained in accordance with Uniform System of Account prescribed by the PSCW.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The utility is presented as an enterprise fund of the municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In June 2015, the GASB issued Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.* This standard was implemented January 1, 2018. The cumulative impact of implementation is shown in Note 13.

In June 2018, the GASB issued Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period.* This statement establishes requirements for interest cost incurred before the end of a construction period. The utility adopted this statement effective January 1, 2018.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Deposits and Investments

For purposes of the statement of cash flows, cash, and cash equivalents have original maturities of three months or less from the date of acquisition.

Investment of utility funds is restricted by state statutes. Investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The utility has adopted an investment policy. The utility, as part of the municipality, is covered under an investment policy adopted by the City of Sheboygan. Please refer to the City of Sheboygan's financial statements for information regarding the adopted investment policy. This policy does not address custodial credit risk associated with the City of Sheboygan's or the utility's deposits or investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

Receivables/Payables

Transactions between the utility and other funds of the municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds. All other outstanding balances between the utility and other funds of the municipality are reported as due to/from other funds.

The utility has the right under Wisconsin statutes to place delinquent electric, water, and sewer bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

Materials and Supplies

Materials and supplies are generally used for construction, operation, and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and charged to construction or expense when used.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

Special Assessments Receivable

This account represents the balances of special assessments levied against property owners for infrastructure improvements. The balances are receivable over various time periods with interest accrued annually. Infrastructure improvements are primarily customer owned lateral that have been installed and financed by the utility.

Capital Assets

Capital assets are generally defined by the utility as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year.

Capital assets of the utility are recorded at cost or the estimated acquisition value at the time of contribution to the utility. Major outlays for utility plant are capitalized as projects are constructed. Capital assets in service are depreciated or amortized using the straight-line method over the following useful lives:

	Years
Water Plant	
Source of supply	50
Pumping	28 - 42
Water treatment	30 - 40
Transmission and distribution	45 - 100
General	4 - 45

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pension, 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Postemployment Benefits Other Than Pensions (OPEB)

Health Insurance

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by utility OPEB Plan. For this purpose, the utility OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Life Insurance

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

Deferred Outflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Accrued Vacation and Sick Leave

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from general operating revenues of the utility.

Long-Term Obligations

Long-term debt and other obligations are reported as utility liabilities. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

REVENUES AND EXPENSES

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

Charges for Services

Billings are rendered and recorded monthly based on metered usage. The utility does accrue revenues beyond billing dates.

Current water rates were approved by the PSCW effective May 1, 2018.

Capital Contributions

Cash and capital assets are contributed to the utility from customers, the municipality, or external parties. The value of property contributed to the utility is reported as revenue on the statements of revenues, expenses, and changes in net position.

Interfund Transfers

Transfers include the payment in lieu of taxes to the municipality.

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

GASB has approved GASB Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 87, *Leases*, Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, and Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. When they become effective, application of these standards may restate portions of these financial statements.

COMPARATIVE DATA

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 - DEPOSITS AND INVESTMENTS

	Carrying Value as of December 31, 2018	Carrying Value as of December 31, 2017	Risks
Deposits	$ 7,314,916	$ 6,424,903	Custodial Credit
Certificates of Deposits	2,351,013	1,313,297	Custodial Credit
Petty Cash	750	750	
Totals	$ 9,666,679	$ 7,738,950	

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund (SDGF) in the amount of $400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities.

In addition, the utility has collateral or depository insurance agreements in the amount of $11,254,148 and $8,234,279 at December 31, 2018 and 2017, respectively.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the utility's deposits may not be returned to the utility.

The utility does not have any deposits exposed to custodial credit risk.

NOTE 3 - RESTRICTED ASSETS

Restricted Accounts

Certain proceeds of the utility's debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited. The following accounts are reported as restricted assets:

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Construction - Used to report debt proceeds restricted for use in construction.

NOTE 3 - RESTRICTED ASSETS (cont.)

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Restricted Net Position

The following calculation supports the amount of water restricted net position:

	2018	2017
Restricted Assets		
Redemption account	$ 479,315	$ 415,732
Reserve account	715,248	531,643
Construction account	480,728	-
Net pension asset	387,084	-
Total Restricted Assets	2,062,375	947,375
Less: Restricted Assets Not Funded by Revenues		
Reserve from borrowing	(715,248)	(531,643)
Construction account	(480,728)	-
Total Restricted Assets Not Funded by Revenues	(1,195,976)	(531,643)
Current Liabilities Payable From Restricted Assets	(58,797)	(49,759)
Total Restricted Net Position as Calculated	$ 807,602	$ 365,973

The purpose of the restricted net position is as follows:

	2018	2017
Debt Service	$ 420,518	$ 365,973
Pension	387,084	-
Total Restricted Net Position	$ 807,602	$ 365,973

NOTE 4 - CHANGES IN CAPITAL ASSETS

Water Utility

A summary of changes in water capital assets for 2018 follows:

	Balance 1/1/18	Increases	Decreases	Balance 12/31/18
Capital assets, not being depreciated				
Land and land rights	$ 193,902	$ 180,787	$ -	$ 374,689
Capital assets being depreciated				
Source of supply	627,615	-	-	627,615
Pumping	5,673,902	91,307	41,045	5,724,164
Water treatment	13,039,016	363,191	-	13,402,207
Transmission and distribution	42,817,016	710,950	37,857	43,490,109
General	2,522,106	219,818	87,814	2,654,110
Total Capital Assets Being Depreciated	64,679,655	1,385,266	166,716	65,898,205
Total Capital Assets	64,873,557	1,566,053	166,716	66,272,894
Less: Accumulated depreciation				
Source of supply	(432,558)	(10,669)	-	(443,227)
Pumping	(3,059,450)	(191,475)	41,044	(3,209,881)
Water treatment	(4,170,821)	(779,264)	-	(4,950,085)
Transmission and distribution	(10,460,267)	(596,709)	37,857	(11,019,119)
General	(1,878,161)	(97,451)	87,814	(1,887,798)
Total Accumulated Depreciation	(20,001,257)	(1,675,568)	166,715	(21,510,110)
Construction in progress	261,302	3,429,408	1,466,213	2,224,497
Net Capital Assets	$ 45,133,602			$ 46,987,281

NOTE 4 - CHANGES IN CAPITAL ASSETS (cont.)

A summary of changes in water capital assets for 2017 follows:

	Balance 1/1/17	Increases	Decreases	Balance 12/31/17
Capital assets, not being depreciated				
Land and land rights	$ 133,672	$ 60,230	$ -	$ 193,902
Capital assets being depreciated				
Source of supply	627,615	-	-	627,615
Pumping	5,237,271	439,713	3,082	5,673,902
Water treatment	13,081,307	862,902	905,193	13,039,016
Transmission and distribution	40,133,118	2,744,385	60,487	42,817,016
General	2,441,729	104,177	23,800	2,522,106
Total Capital Assets Being Depreciated	61,521,040	4,151,177	992,562	64,679,655
Total Capital Assets	61,654,712	4,211,407	992,562	64,873,557
Less: Accumulated depreciation				
Source of supply	(421,889)	(10,669)	-	(432,558)
Pumping	(2,855,371)	(207,161)	3,082	(3,059,450)
Water treatment	(3,861,766)	(352,092)	43,037	(4,170,821)
Transmission and distribution	(9,708,637)	(860,530)	108,900	(10,460,267)
General	(1,752,545)	(149,416)	23,800	(1,878,161)
Total Accumulated Depreciation	(18,600,208)	(1,579,868)	178,819	(20,001,257)
Construction in progress	1,373,370	2,169,328	3,281,396	261,302
Net Capital Assets	$ 44,427,874			$ 45,133,602

NOTE 5 - LONG-TERM OBLIGATIONS

Revenue Bonds - Water

The following bonds have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/18	
3/10/04	Plant Expansion	5/1/23	2.75%	$ 3,152,000	$ 993,528	
4/3/13	Plant Expansion	5/1/33	2.00-3.5	3,000,000	2,420,000	
5/13/15	UV Disinfecting Project	5/1/35	1.65	2,990,520	2,658,552	(1)
4/20/16	Revenue Refunding	4/20/25	1.00-2.00	2,115,000	1,635,000	
5/1/18	Revenue Refunding	5/1/33	3.00-4.00	4,705,000	4,705,000	
					$ 12,412,080	

(1) - During 2015 the utility was authorized to issue $3,122,030 of sewer system Safe Drinking Water Loan revenue bonds. The original amount reported above has been issued as of December 31, 2018. The repayment schedule is for the amount issued.

Revenue bonds debt service requirements to maturity follows:

Year Ending December 31	Principal	Interest	Total
2019	$ 974,828	$ 334,452	$ 1,309,280
2020	1,012,256	308,362	1,320,618
2021	1,034,864	280,850	1,315,714
2022	1,062,656	252,363	1,315,019
2023	1,090,637	222,261	1,312,898
2024-2028	3,796,973	727,613	4,524,586
2029-2033	3,087,372	248,834	3,336,206
2034-2035	352,494	5,840	358,334
Totals	$ 12,412,080	$ 2,380,575	$ 14,792,655

All utility revenues net of specified operating expenses net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2018 and 2017 were $3,584,651 (including refunding) and $1,159,925, respectively. Total customer net revenues as defined for the same periods were $5,497,601 and $4,638,741. Annual principal and interest payments are expected to require 17% of net revenues on average.

NOTE 5 - LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt - Water

The following general obligation bonds have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/18
1/30/08	Unfunded retirement obligation	3/15/27	2%	$ 302,304	$ 185,391

General obligation bonds debt service requirements to maturity follows:

Year Ending December 31	Principal	Interest	Total
2019	$ 16,138	$ 7,601	$ 23,739
2020	17,079	7,193	24,272
2021	18,131	6,696	24,827
2022	19,219	7,046	26,265
2023	20,372	7,152	27,524
2024-2027	94,452	12,091	106,543
Totals	$ 185,391	$ 47,779	$ 233,170

Long-Term Obligations Summary - Water

Long-term obligation activity for the year ended December 31, 2018 is as follows:

	1/1/18 Balance *	Additions	Reductions	12/31/18 Balance	Due Within One Year
Revenue bonds	$ 10,919,655	$ 4,705,000	$ 3,212,575	$ 12,412,080	$ 974,828
General obligation debt	200,615	-	15,224	185,391	16,138
Accrued sick leave	456,823	26,984	11,197	472,610	11,197
Unamortized premium	41,339	285,240	29,134	297,445	-
Net pension liability	106,815	-	106,815	-	-
Total OPEB liability - health insurance	207,998	1,722	-	209,720	-
Net OPEB liability - life insurance	74,010	15,658	-	89,668	-
Totals	$ 12,007,255	$ 5,034,604	$ 3,374,945	$ 13,666,914	$ 1,002,163

* The Utility adopted GASB No. 75 effective January 1, 2018. The Total and Net OPEB liabilities were included in the cumulative effect of a change in accounting principle. See Note 13.

NOTE 5 - LONG-TERM OBLIGATIONS (cont.)

Long-term obligation activity for the year ended December 31, 2017 is as follows:

	1/1/17 Balance	Additions	Reductions	12/31/17 Balance	Due Within One Year
Revenue bonds	$ 11,316,604	$ 463,768	$ 860,717	$ 10,919,655	$ 887,574
General obligation debt	214,979	-	14,364	200,615	15,225
Accrued sick leave	463,201	49,028	55,406	456,823	53,448
Unamortized premium	45,786	-	4,447	41,339	-
Net pension liability	200,307	-	93,492	106,815	-
Totals	$ 12,240,877	$ 512,796	$ 1,028,426	$ 11,725,247	$ 956,247

Current Refunding

On March 1, 2018, bonds in the amount of $4,705,000 were issued with an average interest rate of 3.55% to refund $2,170,000 of outstanding revenue bonds with an average interest rate of 4%. The net proceeds were used to prepay a portion ofthe outstanding debt service requirements on the old bonds.

The cash flow requirements on the old bonds prior to the current refunding was $2,869,444 from 2018 through 2027. The cash flow requirements on the new bonds are $2,641,067 from 2018 through 2027. The current refunding resulted in an economic gain of $196,699.

Bond Covenant Disclosures

The following information is provided in compliance with the resolution creating the water revenue bonds:

Insurance

The utility is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

NOTE 5 - LONG-TERM OBLIGATIONS (cont.)

The utility is covered under the following insurance policies at December 31, 2018:

Type		Coverage	Expiration
Automotive Liability			
General Liability	$	4,000,000	7/1/19
Automobile Liability		4,000,000	7/1/19
Contractors Equipment		604,510	7/1/19
Crime - Theft/Forgery			
Position Bond (Employee Dishonestly)	$	250,000	7/1/19
Forgery/Alteration		250,000	7/1/19
Extra Expense		10,000,000	7/1/19
Employee Benefits		4,000,000	7/1/19
Public Officials Liability		4,000,000	7/1/19
Theft of Money and Securities		25,000	7/1/19
Property			
Buildings	$	41,890,209	7/1/19
Flood		10,000,000	7/1/19
Earthquake		10,000,000	7/1/19

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2018 and 2017 as follows:

	2018	2017
Operating revenues	$ 9,308,950	$ 8,645,887
Investment income	60,544	19,531
Miscellaneous nonoperating income	305,253	198,036
Less: Miscellaneous nonoperating expense	(304,278)	(199,008)
Less: Operation and maintenance expenses	(4,185,575)	(4,025,705)
Net Defined Earnings	$ 5,184,894	$ 4,638,741
Minimum Required Earnings per Resolution:		
Annual debt service - principal	$ 887,575	$ 860,717
Annual debt service - interest	349,228	299,209
Subtotal	1,236,803	1,159,926
Coverage factor	1.20	1.20
Minimum Required Earnings	$ 1,484,164	$ 1,391,911
Actual Debt Coverage	4.19	4.00

NOTE 5 - LONG-TERM OBLIGATIONS (cont.)

Number of Customers and Billed Volumes - Water

The utility has the following number of customers and billed volumes for 2018 and 2017:

	Customers		Sales (000 gals)	
	2018	2017	2018	2017
Residential	16,931	16,913	762,001	746,063
Multifamily residential	290	283	114,050	109,900
Commercial	1,299	1,297	261,463	260,051
Industrial	161	164	2,641,545	2,449,822
Public authority	116	117	50,042	47,180
Whole Sale	2	2	654,071	675,195
Totals	18,799	18,776	4,483,172	4,288,211

NOTE 6 - NET POSITION

GASB No. 34 requires the classification of net position into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets."

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

NOTE 6 - NET POSITION (cont.)

The following calculation supports the water net investment in capital assets:

	2018	2017
Construction work in progress	$ 2,224,497	$ 261,302
Plant in service	66,272,894	64,873,557
Accumulated depreciation	(21,510,110)	(20,001,257)
Sub-Totals	46,987,281	45,133,602
Less: Capital related debt		
Current portion of capital related long-term debt	974,828	887,574
Long-term portion of capital related long-term debt	11,437,252	10,032,081
Unamortized debt premium	297,445	41,339
Sub-Totals	12,709,525	10,960,994
Add: Unspent debt proceeds		
Construction funds	480,728	-
Reserve from borrowing	715,248	531,643
Sub-Totals	1,195,976	531,643
Total Net Investment in Capital Assets	$ 35,473,732	$ 34,704,251

NOTE 7 - EMPLOYEES RETIREMENT SYSTEM

General Information About the Pension Plan

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 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be bound at http: //etf.wi.gov/publications/cafr.htm.

Vesting. 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.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) 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.

NOTE 7 - EMPLOYEES RETIREMENT SYSTEM (cont.)

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.

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
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
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0

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, including teachers, and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. 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.

The WRS recognized $127,478 and $124,934 in contributions from the utility during the current and prior reporting periods, respectively.

NOTE 7 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Contribution rates for the plan years reported as of December 31, 2018 and December 31, 2017 are:

	2018		2017	
	Employee	Employer	Employee	Employer
General (including Executives and Elected Officials)	6.7%	6.7%	6.8%	6.8%
Protective with Social Security	6.7%	10.7%	6.8%	10.6%
Protective without Social Security	6.7%	14.9%	6.8%	14.9%

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

At December 31, 2018, the utility reported an asset of $387,084 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utility's proportion of the net pension asset was based on the utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the Utility's's proportion was 0.0001302401%, which was an increase of 0.00000071% from its proportion measured as of December 31, 2016.

At December 31, 2017, the utility reported a liability of $106,815 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utility's proportion of the net pension liability was based on the utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the Utility's's proportion was 0.00012953%, which was an increase of 0.00000621% from its proportion measured as of December 31, 2015.

For the years ended December 31, 2018 and 2017, the utility recognized pension expense of $122,695 and $114,320, respectively.

At December 31, 2018, the utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 491,800	$ (230,048)
Changes in assumption	76,480	-
Net differences between project and actual earnings on pension plan	-	(532,011)
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,098	(1,269)
Employer contributions subsequent to the measurement date	129,368	-
Total	$ 699,746	$ (763,328)

NOTE 7 - EMPLOYEES RETIREMENT SYSTEM (cont.)

At December 31, 2017, the utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 40,729	$ (335,924)
Changes in assumption	111,679	-
Net differences between project and actual earnings on pension plan	531,692	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,607	(1,769)
Employer contributions subsequent to the measurement date	127,478	-
Total	$ 815,185	$ (337,693)

Deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date reported in the tables above will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31	2018	2017
2018	$ -	$ 142,607
2019	42,827	142,607
2020	(3,383)	96,669
2021	(132,876)	(32,053)
2022	(100,447)	184
2023	929	-
Total	$ (192,950)	$ 350,014

Actuarial assumptions. The total pension liability in the actuarial valuation used in the current and prior year was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2018	2017
Actuarial valuation date	December 31, 2016	December 31, 2015
Measurement date of net pension liability (asset)	December 31, 2017	December 31, 2016
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Fair Value	Fair Value
Long-term expected rate of return	7.2%	7.2%
Discount rate	7.2%	7.2%
Salary increases		
Inflation	3.2%	3.2%
Seniority/Merit	0.2% - 5.6%	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table	Wisconsin 2012 Mortality Table
Post-retirement adjustments	2.1%	2.1%

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

NOTE 7 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Actuarial assumptions used in the December 31, 2016 and 2015 actuarial valuations are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 and 2016 are based upon a roll-forward of the liability calculated from the December 31, 2016 and 2015 actuarial valuations, respectively.

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 as of December 31, 2018 are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
Variable Fund Asset Class			
U.S Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.75%.
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

NOTE 7 - EMPLOYEES RETIREMENT SYSTEM (cont.)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2017 are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50%	8.3%	5.4%
Fixed Income	24.5	4.24	1.4
Inflation Sensitive Assets	15.5	4.3	1.5
Real Estate	8	6.5	3.6
Private Equity/Debt	7	9.4	6.5
Multi-Asset	4	6.6	3.7
Total Core Fund	110	7.4	4.5
Variable Fund Asset Class			
U.S Equities	70	7.6	4.7
International Equities	30	8.5	5.6
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.75%.
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability as of December 31, 2018 and December 31, 2017. 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 3.31% in 2018 and 3.78% in 2017. 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.

NOTE 7 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Sensitivity of the utility's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the utility's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the utility's proportionate share of the net pension liability (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.

The sensitivity analysis as of December 31, 2018 follows:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Utility's proportionate share of the net position liability (asset)	$ 1,001,520	$ (387,084)	$ (1,442,466)

The sensitivity analysis as of December 31, 2017 follows:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Utility's proportionate share of the net position liability (asset)	$ 1,405,222	$ 106,815	$ (893,017)

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://etf.wi.gov/Publications/cafr.htm.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

The utility implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective January 1, 2018. The cumulative effect of the change in net position due to the change in accounting standard is shown as a change in beginning net position for 2018. The prior year balances for deferred outflows of resources, deferred inflows of resources, and the total and net OPEB liabilities were not restated due to the measurement date used for the calculation of the balances and the timing of the information received by the Plan.

Health Insurance

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan description. The utility's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general employees of the utility. RBP is a single-employer defined benefit OPEB plan administered by the Utility. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Utility Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (cont.)

Benefits provided. The RBP provides healthcare and life insurance benefits for retirees and their dependents. However, since the Utility has a self-insured health plan, it should determine its pay-as-you-go benefit based upon the actual retiree paid claims plus administration and stop-loss premiums minus the amount the retirees' paid for continued coverage and any stop-loss reimbursement.

Contributions. The Utility determines retiree contributions based upon the premium equivalent rates.

Employees covered by benefit terms. At December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Active plan members	29
	32

TOTAL OPEB LIABILITY

The utility's total OPEB liability of $209,720 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	The assumed salary inflation of 3.0% per year is added to merit increases to get the total assumed increase in salary.
Healthcare cost trend rates	7.50% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter

The discount rate was based on all years of projected payments discounted at a municipal bond rate of 3.50%.

Mortality rates were based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period 2012-14.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (cont.)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balances at December 31, 2016	$ 207,998
Changes for the year:	
Service cost	10,894
Interest	7,184
Benefit payments	(16,356)
Net changes	1,722
Balances at December 31, 2018	$ 209,720

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the utility, as well as what the utility's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Total OPEB liability	$ 221,055	$ 209,720	$ 198,879

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the utility, as well as what the utility's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% Decreasing to 5.0%)	1% Increase (8.5% Decreasing to 6.0%)
Total OPEB liability	$ 194,274	$ 209,720	$ 227,672

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

For the year ended December 31, 2018, the utility recognized OPEB expense of $18,078. At December 31, 2018, the utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Employer contributions subsequent to the measurement date	$ 18,721

Deferred outflows related to OPEB resulting from the employer's contributions subsequent to the measurement date reported in the table above will be recognized as a reduction of the total OPEB liability in the subsequent year.

Local Retiree Life Insurance Fund (LRLIF)

Plan description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.wi.gov/publications/cafr.htm.

Vesting. 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 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.

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (cont.)

Contribution rates for the plan year reported as of December 31, 2018 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the plan year are as listed below:

Life Insurance Employee Contribution Rates For the Plan Year

Attained Age	Basic
Under 30	$0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized $566 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2018, the utility reported a liability of $89,668 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utility's proportion of the net OPEB liability was based on the utility's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the utility's proportion was 0.00029804%, which was an decrease of 0.00000680% from its proportion measured as of December 31, 2016.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (cont.)

For the year ended December 31, 2018, the utility recognized OPEB expense of $4,684.

At December 31, 2018, the utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,263
Net differences between projected and actual earnings on OPEB plan investments	1,032	-
Changes in assumptions	8,665	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,432
Employer contributions subsequent to the measurement date	937	-
Total	$ 10,634	$ 2,695

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2018	$ 1,172
2019	1,172
2020	1,172
2021	1,172
2022	914
Thereafter	1,400

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions. The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	3.44%
Long-Term Expected Rate of Return:	5.0%
Discount Rate:	3.63%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

Long-term expected return on plan assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2017

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65	2.61
US Long Credit Bonds	Barclays Long Credit	3	3.08
US Mortgages	Barclays MBS	31	2.19
Inflation			2.3
Long-Term Expected Rate of Return			5.0

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (cont.)

Single discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the Utility's's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the utility's proportionate share of the net OPEB liability calculated using the discount rate of 3.63 percent, as well as what the utility's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
The utility's proportionate share of the net OPEB liability	$126,735	$89,668	$61,223

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/publications/cafr.htm.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Claims and Judgments

From time to time, the utility is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the utility's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the utility's financial position or results of operations.

Grants

The utility has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

NOTE 10 - RISK MANAGEMENT

The utility is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors, and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

NOTE 11 - SIGNIFICANT CUSTOMERS

Water Utility

The utility has one significant customer who was responsible for 26% and 25% of operating revenues in 2018 and 2017, respectively.

NOTE 12 - SUBSEQUENT EVENTS

The utility evaluated subsequent events through the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

NOTE 13 - CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE

The utility adopted GASB Statement No. 75 effective January 1, 2018. The cumulative effect of implementation is reflected as a change in net position as follows:

Water Utility

Net OPEB liability - life insurance	$	(74,010)
Deferred outflows of resources - life insurance		710
Total OPEB liability - health benefits		(207,998)
Deferred outflows of resources - health benefits		16,356
Cumulative Effect of a Change in Accounting Principle	$	(264,942)

Additional information required for retroactive implementation was not provided by the OPEB plans.

REQUIRED SUPPLEMENTARY INFORMATION

SHEBOYGAN WATER UTILITY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2018

WRS Fiscal Year End Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.00010929%	$ (268,255)	$ 1,844,785	14.54%	102.74%
12/31/15	0.00012332%	200,307	1,974,984	10.14%	98.20%
12/31/16	0.00012953%	106,815	1,892,944	5.64%	99.12%
12/31/17	0.00013037%	(387,084)	1,874,682	20.65%	102.93%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2018

Utility Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 134,299	$ 134,299	$ -	$ 1,973,928	6.80%
12/31/16	124,934	124,934	-	1,892,944	6.60%
12/31/17	127,478	127,478	-	1,874,682	6.80%
12/31/18	129,368	129,368	-	1,930,859	6.70%

See independent auditors' report and accompanying notes to the required supplementary information.

SHEBOYGAN WATER UTILITY

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - HEALTH INSURANCE
As of December 31, 2018

	2018
Total OPEB Liability	
Service cost	$ 10,894
Interest	7,184
Benefit payments	(16,356)
Net Change in Total OPEB Liability	1,722
Total OPEB Liability - Beginning	207,998
Total OPEB Liability - Ending	$ 209,720
Covered-employee payroll	$ 1,874,682
Net OPEB liability as a percentage of covered-employee payroll	11.19%

Notes to Schedule:

The Utility implemented GASB Statements No. 75 in 2018. Information prior to 2018 is not available.

See independent auditors' report and accompanying notes to the required supplementary information.

SHEBOYGAN WATER UTILITY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -
WISCONSIN LIFE INSURANCE PLAN
For the Year Ended December 31, 2018

ETF Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proprotionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/17	0.00029804%	$ 89,668	$ 1,874,682	4.78%	44.81%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN LIFE INSURANCE PALN
For the Year Ended December 31, 2018

Utility Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	$ 937	$ 937	$ -	$ 1,930,859	0.05%

See independent auditors' report and accompanying notes to the required supplementary information.

WISCONSIN RETIREMENT SYSTEM

The amounts presented in relation to the schedule of employer's proportionate share of the net pension liability and the schedule of employer contributions represents the specific data of the Utility. The information provided was derived using a combination of the employer's contribution data along with the data provided by the Wisconsin Retirement System in relation to the City of Sheboygan as a whole.

The utility is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions. There were no changes in assumptions.

HEALTH INSURANCE

The data presented in the Schedule of Change in the Total OPEB Liability and Related Ratio was taken from the reports issued by the actuary.

Changes in benefit terms. There were no changes of benefit terms for the Utility.

Changes in Assumptions. There were no changes in assumptions.

LOCAL RETIREE LIFE INSURANCE FUND

Changes in benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes in Assumptions. There were no changes in assumptions.

II

R. O. No. _____ - 19 - 20. By CITY CLERK. May 6, 2019.

Submitting various license applications ALREADY ISSUED.

_____
City Clerk

SPECIAL "B" LICENSE (Already Issued)

No.	Name	Address
3140	Sailing Education Assoc of Sheboygan	PO Box 1317 - Event held 04/12/2019 at 1837 Superior Avenue.

Consent.

II

R. O. No. 13 - 19 - 20. By BOARD OF CONTRACTORS EXAMINERS. May 6, 2019.

Attached hereto we are submitting application for Building Contractor License already GRANTED:

40094	Thomas D McCue 674 Dartmouth Dr Sheboygan Falls, WI 53085-1740	Carpenter Contractor
43107	Jeffrey E Wilson 1522 Humboldt Ave Sheboygan, WI 53081-6732	Carpenter Contractor

BOARD OF CONTRACTORS EXAMINERS

Consent.

II

R. O. No. 14 - 19 - 20. By CITY CLERK. MAY 6, 2019.

Submitting various license applications.

City Clerk

TEMPORARY CLASS "B" LICENSE

No.	Name	Address
1064	Christ Child Academy	2722 Henry Street - One day event to be held 05/18/19 in the gymnasium to include beer and wine.
2184	Lutheran High Crusader Club	3323 University Drive - One day event to be held 05/11/19 in the gymnasium.

Consent

III

Res. No. ____ - 19 - 20. By Alderperson Phillips. May 6, 2019.

A RESOLUTION directing a public hearing to be held in connection with a change of the City's Official Zoning Map for property located at 1316 Niagara Avenue.

RESOLVED: That the City Clerk is hereby directed to publish the following notice in the official newspaper in accordance with the provisions of §62.23(7)(d) of the Wisconsin Statutes:

NOTICE OF PUBLIC HEARING ON AMENDMENT TO THE SHEBOYGAN ZONING ORDINANCE

Notice is hereby given that a public hearing will be held at 6:00 P.M., June 3, 2019, in the Sheboygan County Board Chambers of the Sheboygan County Courthouse, Sheboygan, Wisconsin, to give persons an opportunity to be heard relative to the proposed amendment to the City of Sheboygan's Official Zoning Map. The purpose of the amendment is to change the Use District Classification of the following described property from Class Urban Industrial (UI) to Class Urban Commercial (UC) Classification:

Property located at 1316 Niagara Avenue described as:

ORIGINAL PLAT LOTS 12 & 13 & PRT OF LOTS 11 & 14 BLK 111 DESC AS: COM IN THE S LINE OF LOT 14,40' SE OF THE SW CORN OF SD LOT, TH NE 216' M/L PARALLEL TO THE W LNE OF LOT 14 TO THE SHORE OF THE SHEB RIVER, TH DOWNSTREAM ALG THE SHORE OF RIVER 132' M/L TO THE W R/W LINE OF C&NW RR CO MAIN TRACK, TH SLY ON SD R/W LINE 180' M/L TO THE NE CORN OF NIAGARA AVE & N COMMERCE ST, TH WLY 151.6' M/L ALG THE NLY LINE OF NIAGARA AVE TO BEG

Consent

_____

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

III

Res. No. _____ - 19 - 20. By Alderperson Phillips. May 6, 2019.

A PRELIMINARY RESOLUTION declaring intent to exercise the police power to levy special assessments for replacement of lead and/or galvanized iron water laterals in South 11th Street - Indiana Avenue to Maryland Avenue/Illinois Avenue - South 10th Street to South Commerce Street/Illinois Avenue - South 10th Street to South 12th Street.

RESOLVED: That the existing lead and/or galvanized iron water lateral(s) from the main to the curb stop, be replaced with copper or plastic, of appropriate size in South 11th Street - Indiana Avenue to Maryland Avenue/Illinois Avenue - South 10th Street to South Commerce Street/Illinois Avenue - South 10th Street to South 12th Street, is hereby proposed at the expense of the property to be benefited thereby, and that no part of the estimated aggregate cost shall be paid in advance under §66.0703, Stats.

BE IT FURTHER RESOLVED: That the City of Sheboygan does herewith intend to exercise its municipal police powers under §66.0703, Stats., for the aforestated municipal purpose.

BE IT FURTHER RESOLVED: That the Water Utility is hereby authorized and directed to prepare a report in accordance with §66.0703(4) and §66.0703(5), Stats., and that such report shall contain the following information:

a. Preliminary or final plans and specifications
b. An estimate of the entire cost of the proposed work or improvement
c. A schedule of the proposed assessments
d. A statement that the work or improvement constitutes an exercise of the municipality's police power
e. A statement that the property against which the assessments are proposed is benefited

BE IT FURTHER RESOLVED: That the expenses so incurred in excess of $100.00 may be paid in five (5) annual installments, ten (10) annual installments if the expense exceeds $5,000.00 for a single parcel of property, under §66.0703, Stats., with interest thereon at seven percent (7%) commencing the first of the month following the completion of thirty (30) days after publication of the installment assessment notice.

Consent.

BE IT FURTHER RESOLVED: That the Water Utility prepare the schedule of the proposed assessments governing such intended project under the provisions of Section 122-98 of the Municipal Code; and, after completion of the schedule, submit copies to the City Clerk for the purpose of public hearing and public notice.

_____

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

Sheboygan
Water Utility

BOARD OF WATER COMMISSIONERS

April 30, 2019

Ms. Meredith DeBruin
City Clerk
City of Sheboygan
Sheboygan, WI 53081

Dear Meredith,

The Sheboygan Water Utility requests that a preliminary resolution be introduced to the Common Council, *at their next meeting on May 6, 2019*, declaring intent to exercise police powers to levy special assessments for the replacement of lead and/or galvanized iron water laterals.

RESOLVED: That **existing lead and/or galvanized iron water lateral(s) from the main to the curb stop, be replaced with copper or plastic, of appropriate size**, in the following street(s)/location(s):

S. 11th St - Indiana Ave to Maryland Ave / Illinois Ave - S. 10th St to S. Commerce St / Illinois Ave - S. 10th St to S. 12th St

FURTHER RESOLVED: That this work is hereby proposed at the expense of the property to be benefited thereby, and that no part of the estimated aggregate cost shall be paid in advance under 66.0703 Wisconsin Statutes.

Sincerely,

Dave McMillan
Distribution Supervisor
SHEBOYGAN WATER UTILITY

cc: David Biebel, Director of Public Works
Ryan Sazama PE, City Engineer
Chad Pelishek, City Development Manager
Darrell Hofland, Chief Administrative Officer
Joe Trueblood PE, Utility Superintendent

VI

R. C. No. ____ - 19 - 20. By LICENSING, HEARINGS, AND PUBLIC SAFETY COMMITTEE. May 6, 2019.

Your Committee to whom was referred R. C. No. 349-18-19 by Licensing, Hearings, and Public Safety Committee and R. O. No. 234-18-19 by City Clerk submitting various license applications; recommends denying Beverage Operator's License application #2628 (Mang Yang) based upon her ineligibility for a Beverage Operator's License.

Consent.

_____ _____

_____ _____

_____ _____

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated_____ 20____. _____, City Clerk

Approved_____ 20____. _____, Mayor

VI

5.45

R. C. No. 349 - 18 - 19. By LICENSING, HEARINGS, AND PUBLIC SAFETY COMMITTEE. April 15, 2019.

Your Committee to whom was referred R. O. No. 234-18-19 by City Clerk submitting various license applications; recommends referring to the Licensing, Hearings, and Public Safety Committee of the new council:

BEVERAGE OPERATOR'S LICENSE (NEW)(June 30, 2020)

No.	Name	Address
2628	Yang, Mang	1526 Ontario Avenue

LHPS
2019-2020
4-29-19 Deny #2628 (Yang)

Barbara Soeser
Betty A Rosenberg

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated_____ 20____. _____, City Clerk

Approved_____ 20____. _____, Mayor

II OTHER MATTERS 7.1

R. O. No. 234 - 18 - 19. By CITY CLERK. March 18, 2019.

Submitting various license applications for the period ending December 31, 2019, April 14, 2020 and June 30, 2020.

City Clerk

BEVERAGE OPERATOR'S LICENSE (NEW) (June 30, 2020)

No.	Name	Address
2639	Benzow, Donna L.	N18792 Ten Acre Road, Goodman
2624	Chambers, Stacey L.	204 Wisconsin Street, Sheboygan Falls
2632	Deering, Mitchell B.	1530A Georgia Avenue
2623	Hochrein, Rhiannon B.	4520 Mueller Road
2642	Joy, Katherine A.	730 S. 8th Street
2335	Lopez, Glennie J.	1616 Superior Avenue
2643	Niemuth, Melissa A.	1005 Grand Avenue, Manitowoc
2625	Miller, Elizabeth E.	1320 N. 17th Street
2635	Natividad, Negrete C.	927 Dillingham Avenue
2640	Pellowski, William M.	301 New York Avenue
2641	Pratt, Mary E.	1012 Falls Park Dr. #12,Sheboygan Falls
2626	Schleyhahn, Lucas J.	2617 N. 5th Street
1297	Schmidt, Miranda R.	703 High Aveue #204
2631	Thomson, Kay E.	W7107 County Road U, Plymouth
2628	Yang, Mang	1526 Ontario Avenue

TAXICAB DRIVERS LICENSE (NEW) (December 31, 2019)

No.	Name	Address
2636	Moser, Michael P.	2201 Erie Avenue #C113
2629	Ortiz, Maria J.	909 Ontario Avenue #E17

Massage Establishment License (NEW) (December 31, 2019)

No.	Name	Address
1701	Salon Sase	631 Riverfront Drive

LHPS
4-3-19 Hold
#2628 (Yang)

Sidewalk Café License (Renew) (April 14, 2020)

No.	Name	Address
3129	Greece E Spoon	1217 N. 8th Street
2427	Urbane	1231 N. 8th Street
2604	Z Spot Espresso & Coffee	1024 Indiana Avenue

VII

R. C. No. ____ - 19 - 20. By LICENSING, HEARINGS, AND PUBLIC SAFETY COMMITTEE. May 6, 2019.

Your Committee to whom was referred pursuant to R. O. No. 248-18-19 by City Clerk submitting various license applications; recommends granting the following license applications:

BEVERAGE OPERATOR'S LICENSE (NEW)(June 30, 2020)

No.	Name	Address
2719	Barbuch, Brian L.	2422 N. 26th Street
2715	Biederwolf, Mark E.	1641 S. 12th Street
2694	Carter, Arnesha P.	1409 N. 7th Street
2699	Curro, Zachary J.	810 N. 9th Street Apt. 1
2705	Evans, Kenyatta A.	1010 N. 16th Street
2703	Franklin, Whitney M.	6813 Horseshoe Bend, Verona
2701	Hermann, Ruth M.	634 Aspen Grove, Sheboygan Falls
2685	Holstein, Aaron N.	2101 N. 13th Street
2692	Pastorek, Sarah J.	2207 Creekside Court
2698	Reese, Chris G. (Club)	3204 N. 12th Street
2713	Rodriguez, Josefina	1510 Indiana Avenue
2689	Schrimpf, Michael A. G.	2330 N. 10th Street
2712	Sosa, Jacqueline C. O.	405 Superior Avenue
2716	Vnuk, Jacob A.	1689 Velp #21, Green Bay
2690	Wolfert, Nicholas J.	N4310 Claber Court, Sheboygan Falls

Consent

QUADRICYCLE DRIVERS LICENSE (NEW) (December 31, 2019)

No.	Name	Address
2718	Rose, Robert	2403 S. 17th Street

_____ _____

_____ _____

_____ _____

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated_____ 20____. _____, City Clerk

Approved_____ 20____. _____, Mayor

VIII

R. C. No. _____ - 19 - 20. By FINANCE AND PERSONNEL COMMITTEE.
May 6, 2019.

Your Committee to whom was referred Res. No. 210-18-19 by Alderpersons Rindfleisch and Bohren authorizing the appropriate City officials to execute the First Restated Fiber Optic Network Intergovernmental Cooperative Agreement between the City of Sheboygan, Sheboygan County, and the Sheboygan Area School District; recommends approving the Resolution.

Concur.

_____ _____

_____ _____

_____ _____

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated_____ 20____. _____, City Clerk

Approved_____ 20____. _____, Mayor

III

4.2

Res. No. 210 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
April 15, 2019.

A RESOLUTION authorizing the appropriate City officials to execute the First Restated Fiber Optic Network Intergovernmental Cooperative Agreement between the City of Sheboygan, Sheboygan County, and the Sheboygan Area School District.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the First Restated Fiber Optic Network Intergovernmental Cooperative Agreement, a copy of which is attached hereto and incorporated herein.

Conrad Rindfleisch

James A. Bohren

Finance & Personnel 2019 2020. approve

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

FIRST RESTATED

FIBER OPTIC NETWORK INTERGOVERNMENTAL COOPERATIVE AGREEMENT

WHEREAS, the **CITY OF SHEBOYGAN** (City), a municipal corporation, **SHEBOYGAN COUNTY** (County), a Wisconsin governmental body corporate, and the **SHEBOYGAN AREA SCHOOL DISTRICT** (District), a Wisconsin school district, (the Parties) entered into an Intergovernmental Cooperative Agreement to establish a protocol under which the Parties would construct, operate, and maintain a coordinated regional communications infrastructure in the form of a Fiber Optic Network, and

WHEREAS, since the Agreement was entered on September 4, 2015, there have been various terms and provisions that have proven to be ambiguous, unworkable, or in need of updating, and

WHEREAS, most particularly, the Parties need to address the fact that within the Ring Cables are individual strands of fiber, the status and rights and use of which need to be addressed, and

WHEREAS, other provisions that were appropriate during the construction phase of the Project are no longer necessary now that the Project has been completed, and

WHEREAS, it is in the best interests of the Parties to amend the Agreement by way of this First Restated Fiber Optic Intergovernmental Cooperative Agreement;

NOW THEREFORE, the Parties agree to the terms of this First Restated Fiber Optic Network Intergovernmental Cooperative Agreement as follows:

1. PARTIES. The Parties to this Agreement are the **CITY OF SHEBOYGAN** (City), a municipal corporation with offices at 828 Center Avenue, Sheboygan, Wisconsin 53081; **SHEBOYGAN COUNTY** (County), a Wisconsin governmental body corporate, organized pursuant to Wis. Stat. § 59.01, having its principal offices at 508 New York Avenue, Sheboygan, Wisconsin 53081; and the **SHEBOYGAN AREA SCHOOL DISTRICT** (District), a Wisconsin school district organized under Wis. Stat. § 117.105, having its principal offices at 830 Virginia Avenue, Sheboygan, Wisconsin 53081.

2. **PURPOSE.** City, County, and District had heretofore purchased and maintained independent cable network systems to support their respective operations. This Agreement is intended to establish a protocol under which the Parties will maintain the coordinated regional communications Network that they constructed as defined below.

3. **AUTHORITY.** This Agreement is entered into between the Parties pursuant to Wis. Stat. § 66.0301 authorizing intergovernmental cooperation.

4. **DEFINITIONS.** The following terms shall have the following meanings:

"Cables" means the sheath or casing and any ancillary equipment or materials thereto through which the glass optical fiber Strands run.

"City Laterals" means the eight (8) Laterals other than the Lateral connecting with the Fire Department 5 site owned by City and identified in Paragraph 2.03 of the Request for Bid (RFB).

"City/District Lateral" means the Lateral connecting to the Jackson Elementary site identified with District and to the Fire Station 5 site identified with City in Paragraph 2.03 of the RFB.

"Construction Contract" means the contract as awarded by County pursuant to the RFB.

"Contractor" means the general contractor hired to perform the Construction Contract.

"County Laterals" means the eight (8) Laterals to be owned by County and identified in Paragraph 2.03 of the RFB.

"District Laterals" means the twenty-one (21) Laterals other than the Lateral connecting with the Jackson Elementary site owned by District and identified in Paragraph 2.03 of the RFB.

"Lateral" means a single one of the Laterals.

"Laterals" means the physical tunnel running from the Ring to facilities owned by the Parties individually as well as the physical tunnel owned or serving both City and District as described in Paragraph 2.03 of the RFB.

"Lateral Cables" means those Cables running through the Laterals but does not include the Cables running within the Ring.

"Maintenance Contract" means the contract or the individual contracts for the maintenance of the Network as described in Section 8, below.

"Maintenance Provider" means the contractor that provides the maintenance of the Network pursuant to the Maintenance Contract.

"Network" means the Ring, the Ring Cables and the Laterals and all associated equipment as an integrated system as well as the right to maintain the same on the real estate in, over, and/or under which the Ring and Laterals run.

"Project" means the construction of the Ring and the Laterals as described in the RFB.

"RFB" means the request for bid document prepared by Multimedia Communications & Engineering, Inc., and released by County on April 3, 2015, which is incorporated into this Agreement by this reference.

"Ring" means the physical tunnel or excavation though which the Cables run and which connect to the Laterals.

"Ring Cables" means those Cables running through the Ring, but does not include the Cables running through the Laterals.

"Shared Laterals" means the four (4) Laterals to be owned jointly by the parties and identified in Paragraph 2.03 of the RFB.

"Strands" means the actual glass optical fibers inside the Cable sheath or casing.

5. EFFECTIVE DATE; TERM; TERMINATION.

A. Effective Date. This Agreement shall become effective on the last date of the required signatures at the end of this document.

B. Term. This Agreement shall remain in full force and effect until the earlier of August 1, 2065, or such time as the Parties all agree to terminate it. This Agreement may be terminated as to an individual Party upon an Event of Default as set forth in Section 16 below.

C. Withdrawal for Cause. A Party may withdraw from this Agreement only in the event of an Event of Default by another of the Parties;

provided, however, that if the withdrawing Party under this Section 1C is County, the non-defaulting other Party shall retain the easement rights for the use and access to the Ring sufficient for the non-defaulting other Party to enjoy the rights contemplated by this Agreement.

6. ROAD, EXCAVATION, AND OBSTRUCTION PERMITS AND APPROVALS. Any permanent portion of the Network that has been constructed on or under streets, roads, or other property owned by a party is there with the knowledge, consent, and license of that party. For portions of work that lie within the various state highways, County is responsible for maintaining all necessary Wisconsin Department of Transportation permits and approvals at County's expense.

7 ONGOING MAINTENANCE SERVICES. With the completion of the Project, County continues to be deemed the "lead agency" responsible for the day-to-day administration of the Ring, the Ring Cables and County's own Laterals; provided, however, if a Maintenance Contract of the Ring, Ring Cables, and all the Laterals would cost less than separate Maintenance Contracts for the separate Parties' Laterals, County shall enter into a Maintenance Contract for the Ring, the Ring Cables, and all Laterals. County may assess to each of City and District an administrative fee equal to one-tenth (1/10) of the savings realized because all the maintenance services are being provided under a single Maintenance Contract through County. If no cost savings can be realized through a single Maintenance Contract with County, each of the Parties shall enter into a separate Maintenance Contract with the maintenance provider. The Parties shall abide by their standard procedures regarding contracts for the procurement of services in soliciting and entering into a Maintenance Contract, but in any case, there shall be only one Maintenance Provider for the Network. Any maintenance contract covering the Ring, Ring Cables, and all the Laterals shall contain a provision requiring separate accounting for maintenance of the Ring and the Parties' separate Laterals.

8. ONGOING OPERATIONAL AND MAINTENANCE COSTS.

A. <u>Ring, Ring Cable, and Shared Lateral Costs</u>. The ongoing operational servicing and maintenance costs with respect to the Ring, Ring Cables, and Shared Laterals shall be borne equally by the Parties. As part of its obligations as "lead agency" for the Ring, Ring Cables, and Shared Laterals,

County may commit to up to Five Hundred Dollars ($500.00) of charges and costs without the approval of the other parties.

B. Lateral Costs. Each party shall be responsible for maintenance costs attributable to its respective Laterals except District shall pay seventy-five percent (75%) of the cost of maintaining City/District Laterals, and City shall pay twenty-five percent (25%) of those costs.

C. License and Subscription Fees. If the Parties incur periodic subscription, utility, or license fees attributable to the Ring, such fees shall be borne equally by the Parties. To the extent that the fees can be isolated to the individual Party's use or are attributable to the individual Party's Laterals or to the Strands assigned to an individual Party, those fees shall be borne by that individual Party.

D. Capital Expenses. Any expenses in excess of Five Hundred Dollars ($500.00) for the Ring or Ring Cables must be approved by two-thirds (2/3) of the Parties, except that if an expense is not agreed to by two-thirds (2/3) of the Parties and a Party nevertheless wishes to proceed with the expense at that Party's sole expense, it may commit its own funds and proceed to undertake the expense.

9. ASSIGNMENT OF STRANDS.

A. Designation of Areas. The individual Strands shall be assigned to the Parties. In order to make the assignment of the Strands, it is necessary to designate area segments of the Ring in which the Strands are present. Segment A is that portion of the Ring from the Courthouse to State Highway 42 and Martin Avenue. Segment B is that portion of the Ring from State Highway 42 and Martin Avenue to University and Taylor Drives. Segment C is that portion of the Ring from University and Taylor Drives to the Courthouse.

B. Ring Segment A. Ring Segment A currently has four hundred thirty-two (432) Strands. Each Party is assigned the rights to utilize or otherwise administer one-third (1/3) of the Strands, or one hundred forty-four (144) Strands. Accordingly, the Strands in Ring Segment A are assigned as follows:

i. To District One hundred twenty-four (124) currently-used Strands and twenty (20) unused Strands as identified by County;

ii. To County Seventy-six (76) currently-used Strands and sixty-eight (68) unused Strands as identified by County; and

iii. To City Fifty-two (52) currently-used Strands and ninety-two (92) unused Strands as identified by County.

C. Ring Segment B. Ring Segment B currently has four hundred thirty-two (432) Strands. Each Party is assigned the rights to utilize or otherwise administer one-third (1/3) or one hundred forty-four (144) Strands. Accordingly, the Strands in Ring Segment B are assigned as follows:

i. To District One hundred twenty-four (124) currently-used Strands and twenty (20) unused Strands as identified by County;

ii. To County Seventy-six (76) currently-used Strands and sixty-eight (68) unused Strands as identified by County; and

iii. To City Fifty-two (52) currently-used Strands and ninety-two (92) unused Strands as identified by County.

D. Ring Segment C. Ring Segment C currently has two hundred eighty-eight (288) Strands. If each Party is assigned the rights to utilize or otherwise administer one-third (1/3) of the Strands, each Party would be entitled to the use of ninety-six (96) Strands. Since the District already is utilizing one hundred twenty-four (124) of the Strands in Segment C, an equal one-third (1/3) assignment of the Strands is not possible. Accordingly, the Strands in Ring Segment C are assigned as follows:

i. To District One hundred twenty-four (124) currently-used Strands and (8) unused Strands as identified by County;

ii. To County Seventy-six (76) currently-used Strands and nine (9) unused Strands as identified by County;

iii. To City Fifty-two (52) currently-used Strands and nineteen (19) unused Strands as identified by County.

E. Servicing Expenses. If there are Maintenance or servicing issues attributable to the Strands as distinct from the Ring or the Laterals, to the extent that it can be discerned that the Strand requiring servicing is assigned to one of the Parties, that Party will bear the expense of such servicing. If it is not possible to discern an assigned Strand as needing servicing, the cost of servicing of Strands shall be borne in proportion to assigned Strands, both currently-used and unused. As currently assigned, the costs shall be borne as follows:

The total number of Strands is one thousand one hundred fifty-two (1,152). Currently four hundred twenty (420) Strands, or 36.4% are assigned to District, three hundred seventy-three (373) Strands, or 32.4% are assigned to County, and three hundred fifty-nine (359) Strands, or 31.2% are assigned to City. District will pay 36.4%, County will pay 32.4%, and City will pay 31.2%.

F. Reassigning Strands. Any Party may vacate any Strand assigned to it upon giving thirty (30) days' notice to the other Parties. County will determine the reassignment of any unassigned Strands.

10. ADDITIONAL LATERALS TO PARTIES. At its own cost and expense and without consent of the other Parties, any Party may add Lateral Cables as long as doing so does not adversely affect the costs of operation to any other Party or the capacity or performance of the Network to the detriment of the other Parties.

11. EXPANSION OF RING BY PARTIES. No addition to the Ring to increase or enhance the capacity or performance or to expand services to the Parties or to third-party users of the Network, including the addition of new Strands, may be undertaken unless two-thirds (2/3) of the Parties approve of such expansion. Unless the Parties are able to equitably allocate the expenses of expansion to reflect the benefit

gained by each Party, any expenses of expansion will be borne equally by all parties regardless of whether the party approved of the expansion.

12. PROVISION OF SERVICES TO THIRD-PARTY USERS. Any Party may offer services to third-party users without requiring the approval of the other Parties if such third-party user's services only implicate the Strands assigned to the offering Party, provided that any expenses attributable to such third-party user services will not be borne by the other Parties. If any Party enters into such an agreement with a third-party user for services, the offering Party shall provide written notice to the other Parties at least thirty (30) days prior to the third-party user's commencement of services.

13. ADDITION OF NEW PARTIES. Any proposed new parties shall execute a Joinder Agreement in form acceptable to the existing Parties, by which the new parties will agree to be become parties under this Agreement and be bound by all of its terms.

14. SECURITY. Each Party shall be responsible to assure appropriate security protocols are developed and followed to protect the Network from unauthorized access and/or data backup to protect from catastrophic loss, etc. The Parties shall be responsible for strict compliance with all such protocols.

15. TITLE TO PROPERTY. Legal title to the Ring and Ring Cables shall be in the name of County or third parties who have granted easement or similar rights to County, which easements shall name City and District as beneficiaries of the easement rights and shall survive termination provided County hereby grants to each of City and District separate, non-exclusive licenses to use the Ring and Ring Cables for the purposes set forth in the RFB and as may develop in the future for as long as each of them desires to use the Network. The Parties shall each own their individual Lateral Cables and their Laterals. If this Agreement is terminated, any property rights related to hardware or other tangible or intangible assets acquired under this Agreement and any ongoing maintenance shall accrue to the Party that paid for it.

16. DEFAULT AND REMEDIES. A Party shall be in default if it fails to perform any of its obligations under this Agreement and such failure continues for a period of ninety (90) days after notice from the other Party. In such case, the other Parties may declare this Agreement to be terminated immediately as to the defaulting Party, sue for damages, or pursue any other remedy at law or in equity, all remedies being cumulative, subject however to the same damage limitations set forth in Section

17 below. No declaration of default shall be effective unless it is issued or signed by both of the non-defaulting Parties. The foregoing notwithstanding, a three- (3-) day cure period shall be afforded for any default for a failure to maintain required insurance under Paragraph 21 below.

17. **INDEMNIFICATION.** Each Party shall protect, indemnify, and hold harmless the other Parties and their respective officers, officials, employees, and agents from and against all actions, claims, costs, damages, demands, expenses, judgments, liabilities, losses, suits, and attorneys' fees resulting from the negligence or fault of the indemnifying Party's officers, officials, employees, and agents arising out of, resulting from, or in any manner connected with the indemnifying Party's performance or nonperformance of this Agreement, subject however, that under no circumstances shall the indemnifying Party be liable: (a) to the extent of the negligent or intentional acts or breach of contract of the other Parties; or (b) for any incidental, consequential, indirect, exemplary or punitive damages or any damages for which any Party would not be liable for by reason of the immunity and damage limitations set forth in Wis. Stat. §§ 893.80, 895.52, and 345.05.

18. **RESOLUTION OF DISPUTES; CHOICE OF LAW; VENUE.** In case of a dispute between or among the Parties, each Party shall continue without delay to carry out all of its responsibilities under this Agreement in the accomplishment of all non-disputed work. The laws of the State of Wisconsin shall govern this Agreement. Any litigation between the Parties shall be venued in the Circuit Court of Sheboygan County.

19. **LIABILITY FOR CERTAIN DAMAGES.** No Party shall be liable to the others for any incidental, consequential, indirect, or special damages arising or resulting from any delay, omission, or error in the electronic transmission or receipt of any data pursuant to this Agreement. No party shall be liable to the other for any failure to perform its obligations where such failure results from any cause beyond that Party's reasonable control, including, by way of illustration but no limitation, mechanical, electronic, or communications failure or degradation including line noise interference. All parties retain all applicable governmental immunities, defenses, and statutory limitations available including Wis. Stat. §§ 893.80, 895.52, and 345.05.

20. **INSURANCE.** County shall maintain all applicable property and liability insurance on the Ring and as the Parties may agree by majority vote. The other Parties

shall each reimburse County for one-third (1/3) of the premium expenses attributable to the placement of coverage on the Ring. Each Party shall be individually responsible for obtaining insurance on its Lateral Cables and its own Laterals. Each Party shall name the other Parties as additional insureds on its liability and casualty policies of insurance as to liability and casualty in regard to the Ring.

21. SEVERABILITY. If any provision in this Agreement is determined to be void and unenforceable for any reason, the remaining provisions shall remain in full force and effect unless the removal of the severed provision would substantially impair the ability of any Party to perform the essential purpose of this Agreement.

22. NOTICES. Any notices required or permitted hereunder shall be given in writing and shall be delivered (a) in person, with proof of service, (b) by certified mail, postage prepaid, return receipt requested, (c) by registered mail, postage prepaid, with evidence of safe delivery from the U.S. Postal Service, or (d) by a commercial overnight courier that guarantees next-day delivery and provides a receipt, and such notices shall be addressed as follows:

FOR THE COUNTY:

Attn: County Administrator

508 New York Avenue

Sheboygan, WI 53081

FOR THE CITY:

Attn: Mayor

828 Center Avenue – Suite 204

Sheboygan, WI 53081

FOR THE DISTRICT:

Sheboygan Area School District

Attention: Superintendent

830 Virginia Avenue

Sheboygan, WI 53081

or to such other address as any Party may from time to time specify in writing to the other Parties. Any notice shall be effective only upon delivery. The foregoing addresses shall be presumed to be valid until notice of a different address for notice is given according to the provisions of this Paragraph.

23. ASSIGNMENT. No Party may assign any of their rights or obligations under this Agreement in whole or part without the prior written consent of the other Parties which may be withheld in any Party's sole discretion.

24. INTERPRETATION. This Agreement shall not be subject to the rule of interpretation construing ambiguities against the drafter, this Agreement being the product of the negotiation and drafting by attorneys for all Parties.

25. HEADINGS. Headings in this Agreement are for reference only and are not to be considered substantial provisions.

26. AUTHORIZATION. Each person signing this Agreement represents and warrants to the other Parties that he/she has been duly authorized by all necessary action to execute and deliver this Agreement and bind the Party for which they purport to sign to the terms of this Agreement.

27. COUNTERPARTS AND SIGNATURES. This Agreement may be signed in counterparts. Facsimile and electronic signatures shall have the same effect as original signatures.

28. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding between the Parties relating to their relationship and supersedes all prior understandings, oral agreements, negotiations, representations, and agreements relating to the same subject matter, except that to the extent that the RFB and the Construction Contract are identified herein, those documents are incorporated by reference.

IN WITNESS WHEREOF, the Parties have caused this Fiber Optic Network Intergovernmental Cooperation Agreement as of the last date set forth below.

CITY OF SHEBOYGAN

By:_____ _____

Authorized Representative Date Signed

By:_____ _____

Authorized Representative Date Signed

SHEBOYGAN COUNTY

By:_____ _____

Authorized Representative Date Signed

By:_____ _____

Authorized Representative Date Signed

SHEBOYGAN AREA SCHOOL DISTRICT

By:_____ _____

Authorized Representative Date Signed

By:_____ _____

Authorized Representative Date Signed

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II

R. O. No. ____ - 19 - 20. By DIRECTOR OF PLANNING AND DEVELOPMENT.
May 6, 2019.

Submitting a report from Chad Pelishek, Director of Planning & Development, noting acceptance of an additional $20,000 in sponsorship contribution towards the 2019 City's Freedom Fest Celebration from PLENCO.

In 2018, PLENCO agreed to be a co-sponsor with the Vollrath Company. The Vollrath Company has asked to not be a sponsor in 2019, however, PLENCO has agreed to contribute an additional $20,000 for the total of the $40,000 towards the celebration.

Visit Sheboygan, Inc., the City's tourism entity manages the Freedom Fest Celebration and will provide promotional opportunities for the event utilizing PLENCO's logo.

The City of Sheboygan appreciates PLENCO's additional contribution towards this event that draws approximately 80,000 people to our community and should be commended for their partnership in continuing these festivities.

DIRECTOR OF PLANNING AND DEVELOPMENT

acfile

10416

City of Sheboygan
spirit on the lake.

April 23, 2019

Mr. Michael Brotz
c/o Mary Wesner, Executive Secretary
PLENCO
3518 Lakeshore Road
Sheboygan, WI 53082-0758

Dear Mr. Brotz:

Thank you for your interest in sponsoring the City of Sheboygan 4th of July Freedom Fest event. We are grateful that PLENCO has agreed to fund this event.

As was discussed, PLENCO agrees to sponsor the City's Freedom Fest event in the amount of $40,000 for 2019 (Note: the $40,000 payment includes the prior agreed upon $20,000 payment from 2018's contract). The City respectfully requests that PLENCO provide payment to the City's tourism entity, the Visit Sheboygan, Inc., 630 Riverfront Drive, Suite 200, Sheboygan, WI 53081 no later than April 30 of each year.

Visit Sheboygan, Inc., is contracted with the City of Sheboygan to manage the Freedom Fest event and will provide promotional opportunities for the event utilizing PLENCO's logo.

On behalf of the City of Sheboygan, I wish to express our sincere thanks and gratitude for PLENCO's commitment to the City and to the visitors and citizens who live here and enjoy this wonderful event. Your generosity is directly responsible for the continued success of this event, which is anticipated and enjoyed by an estimated 80,000 people each year.

If you are in acceptance, please sign and date in the box below and email back to me at Chad.Pelishek@sheboyganwi.gov

Sincerely,

Chad Pelishek

Chad Pelishek
Planning & Development Director

PLENCO AGREEMENT:

Michael R. Brotz

Title: PRESIDENT

Date Signed: 4-23-19

II

R. O. No. ____ - 19 - 20. By CITY CLERK. May 6, 2019.

Submitting an application from City of Sheboygan for a change in the zoning classification of property located at 1316 Niagara Avenue from Class Urban Industrial (UI) to Class Urban Commercial (UC).

City Plan

City Clerk

OFFICE USE ONLY
APPLICATION NO.: _____
RECEIPT NO.: _____
FILING FEE: $200.00 (Payable to City of Sheboygan)

MAY 1 '19 PM 3:00

CITY OF SHEBOYGAN
APPLICATION FOR
AMENDMENT OF OFFICIAL ZONING MAP

(Requirements Per Section 15.903)
Revised May, 2012

Completed application is to be filed with the Office of the City Clerk, City Hall, 828 Center Avenue. Application will not be processed if all required attachments and filing fee of $200 (payable to the City of Sheboygan) is not submitted along with a complete and legible application. Application filing fee is non-refundable.

1. APPLICANT INFORMATION

APPLICANT: City of Sheboygan PHONE NO.: (920) 459-3382

ADDRESS: 828 Center Ave E-MAIL: Steve.Sklarwski@Sheboygan.wi.gov

OWNER OF SITE: City of Sheboygan PHONE NO.: (920) 459-3382

2. DESCRIPTION OF THE SUBJECT SITE

ADDRESS OF PROPERTY AFFECTED: 1316 Niagara Ave

LEGAL DESCRIPTION: _____

_____

PARCEL NO. 59281500110 MAP NO. _____

EXISTING ZONING DISTRICT CLASSIFICATION: Urban Industrial (UI)

PROPOSED ZONING DISTRICT CLASSIFICATION: Urban Commercial (UC)

BRIEF DESCRIPTION OF THE **EXISTING** OPERATION OR USE: _____

Gravel parking lot (vacant, undeveloped

BRIEF DESCRIPTION OF THE **PROPOSED** OPERATION OR USE: _____

May be used for parking and land for an adjoining multi-tenant commercial redevelopment

3. JUSTIFICATION OF THE PROPOSED ZONING MAP AMENDMENT

How does the proposed Official Zoning Map amendment further the purposes of the Zoning Ordinance as outlined in Section 15.005 and, for flood plains or wetlands, the applicable rules and regulations of the Wisconsin Department of Natural Resources and the Federal Emergency Management Agency? See attached

Which of the following factors has arisen that are not properly addressed on the current Official Zoning Map? (Provide explanation in space provided below.)

☒ The designations of the Official Zoning Map should be brought into conformity with the Comprehensive Master Plan.

☐ A mistake was made in mapping on the Official Zoning Map. (An area is developing in a manner and purpose different from that for which it is mapped.) *NOTE: If this reason is cited, it must be demonstrated that the discussed inconsistency between actual land use and designated zoning is not intended, as the City may intend to stop an undesirable land use pattern from spreading.*

☒ Factors have changed, (such as the availability of new data, the presence of new roads or other infrastructure, additional development, annexation, or other zoning changes), making the subject property more appropriate for a different zoning district.

☒ Growth patterns or rates have changed, thereby creating the need for an amendment to the Official Zoning Map.

☐ Explain: _____

How does the proposed amendment to the Official Zoning Map maintain the desired consistency of land uses, land use intensities, and land use impacts as related to the environs of the subject property? See attached

Indicate reasons why the applicant believes the proposed map amendment is in harmony with the recommendations of the City of Sheboygan Comprehensive Plan.

See attached

4. CERTIFICATE

I hereby certify that all the above statements and attachments submitted hereto are true and correct to the best of my knowledge and belief.

APPLICANT'S SIGNATURE

5/1/19
DATE

Herb Skedowski
PRINT ABOVE NAME

APPLICATION SUBMITTAL REQUIREMENTS

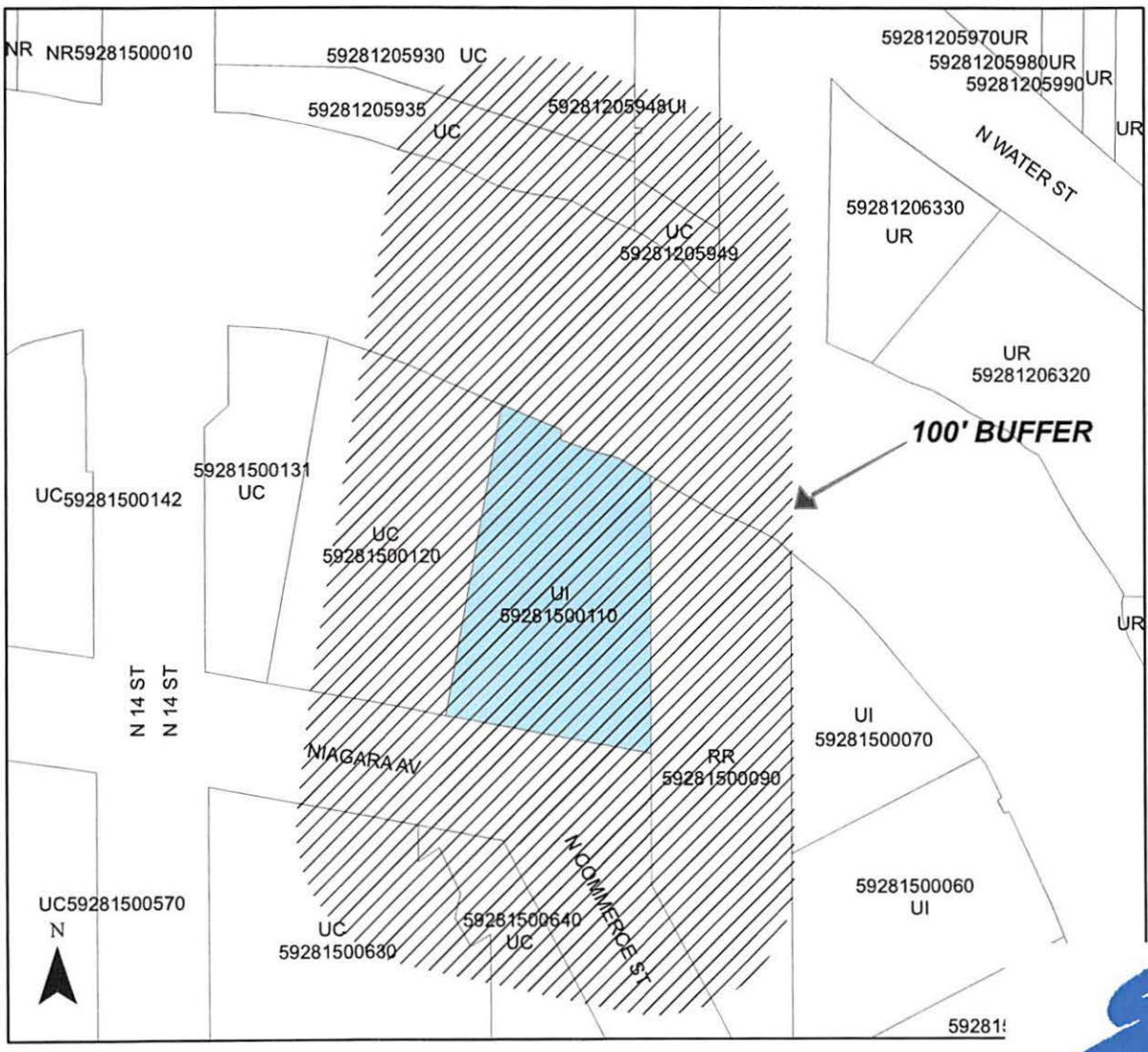
A copy of the current zoning map of the subject property and vicinity showing:

- ☐ The property proposed to be rezoned.
- ☐ All lot dimensions of the subject property.
- ☐ All other lands within 200 feet of the subject property.
- ☐ Map size not more than 11" X 17" and map scale not less than 1" = 600'.
- ☐ Graphic scale and north arrow.

PROPOSED REZONE OF PARCEL NO. 59281500110 FROM URBAN INDUSTRIAL (UI) TO URBAN COMMERCIAL (UC)

Town: 15N Range: 23E Section: 22

ORIGINAL PLAT LOTS 12 & 13 & PRT OF LOTS 11 & 14 BLK 111 DESC AS: COM IN THE S LINE OF LOT 14,40' SE OF THE SW CORN OF SD LOT, TH NE 216' M/L PARALLEL TO THE W LINE OF LOT 14 TO THE SHORE OF THE SHEB RIVER, TH DOWNSTREAM ALG THE SHORE OF RIVER 132' M/L TO THE W R/W LINE OF C&NW RR CO MAIN TRACK, TH SLY ON SD R/W LINE 180' M/L TO THE NE CORN OF NIAGARA AVE & N COMMERCE ST, TH WLY 151.6' M/L ALG THE NLY LINE OF NIAGARA AVE TO BEG



City of Sheboygan
spirit on the lake.

City of Sheboygan
spirit on the lake.

May 1, 2019

Dear Mayor Vandersteen and City Council:

The Sheboygan Department of City Development is proposing to rezone City owned property located at 1316 Niagara Avenue (Parcel # 59281500110) from Urban Industrial (UI) to Urban Commercial (UC) for the following reasons:

- The City of Sheboygan Comprehensive Plan designates 1316 Niagara Avenue (Parcel # 59281500110) as "Central Mixed Use." The Central Mixed Use designation is intended for a mix of retail, commercial service, office, resort, government, institutional and residential (mainly upper stories) uses arranged in a pedestrian-oriented environment with minimal building setbacks; and building designs, materials, placement and scale compatible with the character of the existing development.

- The City's comprehensive plan is to be "consistent" with the zoning map. Right now the Urban Industrial (UI) zoning designation of this property is inconsistent with the Central Mixed Use comprehensive plan designation. Rezoning 1316 Niagara Avenue to Urban Commercial makes this property's zoning classification consistent with the property's comprehensive plan designation. Urban Commercial (UC) uses are compatible with the Central Mixed Use commercial land uses listed above.

- The City is working with a developer who is interested in restoring and repurposing the former Boat Doctors facility, the former Harmony Bar property and this 1316 Niagara Avenue City property. Eventually the owner will be required to combine these three (3) parcels into one (1) parcel. The City does not permit combining parcels that have different zoning classifications and creating a "split zoned" parcel (Boat Doctors and Harmony Bar parcels are zoned Urban Commercial and the City 1316 Niagara Avenue parcel is zoned Urban Industrial). This rezone will make all three (3) parcels consistent with the same Urban Commercial (UC) zone and once they parcels are all zoned the same they may be combined into one (1) parcel zoned Urban Commercial. This rezoning permits this area to be redeveloped.

Some of the goals of the Central Mixed Use comprehensive plan designation include:

- Preserving the architectural and historic character of core downtown buildings.

DEPARTMENT OF
PLANNING AND
DEVELOPMENT

828 Center Avenue,
Suite 104
Sheboygan, WI 53081

920-459-3377 (Phone)
920-459-7302 (Fax)

- Encourage commercial developments that are most appropriate for the historic downtown areas to locate or remain there, rather than in other commercial districts in the City.
- Promote the expansion, retention, and upgrading of specialty retail, restaurant, resorts financial service, offices, professional services.
- Take actions to discourage and prevent downtown blight, promote area stability and reduce building vacancy.
- Promote catalytic new mixed use developments at key infill and redevelopment sites.

The proposed rezone meets the above stated goals and sets the stage for this proposed project which continues the City's goal of redeveloping and revitalizing properties along this very visible and important N. 14th Street commercial corridor, along the Sheboygan River and adjacent to downtown Sheboygan.

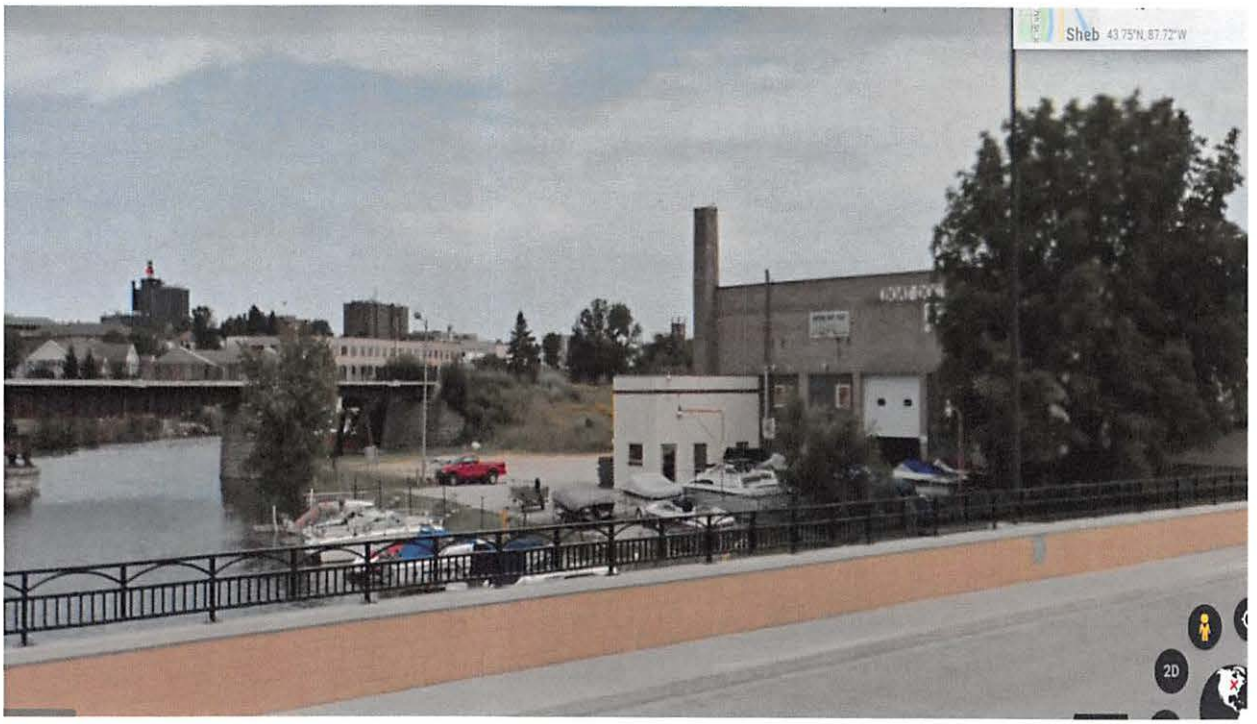
Sincerely,

Steve Sokolowski
Manager of Planning and Zoning
City of Sheboygan Department of City Development

Ontario Ave
N 14th St
N 15th St
Niagara Ave
N Commerce St
59281205690
59281205910
59281205890
59281205900
59281205680
59281205930
59281205920
59281205960
59281205970
59281205980
59281205990
59281206020
59281206050
59281206030
59281206000
59281206040
59281205948
59281205935
59281205949
59281206330
59281500020
59281500030
59281500010
92532202
92532235
92532232
92532211
59281500131
59281500120
59281500142
59281500110
92532231
92532213
92532214
59281500570
59281500560
59281500630
59281500640
92532261
59281500612
59281500650
59281500050
(1 of 2)
TaxParcel: Original Plat of Sheboygan
Land Records Portal
Situs: 1316 NIAGARA AVE
Tax Year: 2019
Parcel: 59281500110
Owner 1: CITY OF SHEBOYGAN
Owner 2:
Address: 2026 NEW JERSEY AVE
City: SHEBOYGAN
State: WI
Zip: 53081
Zip4:
Parcel may require shoreland/floodplain permit:
Zoom to

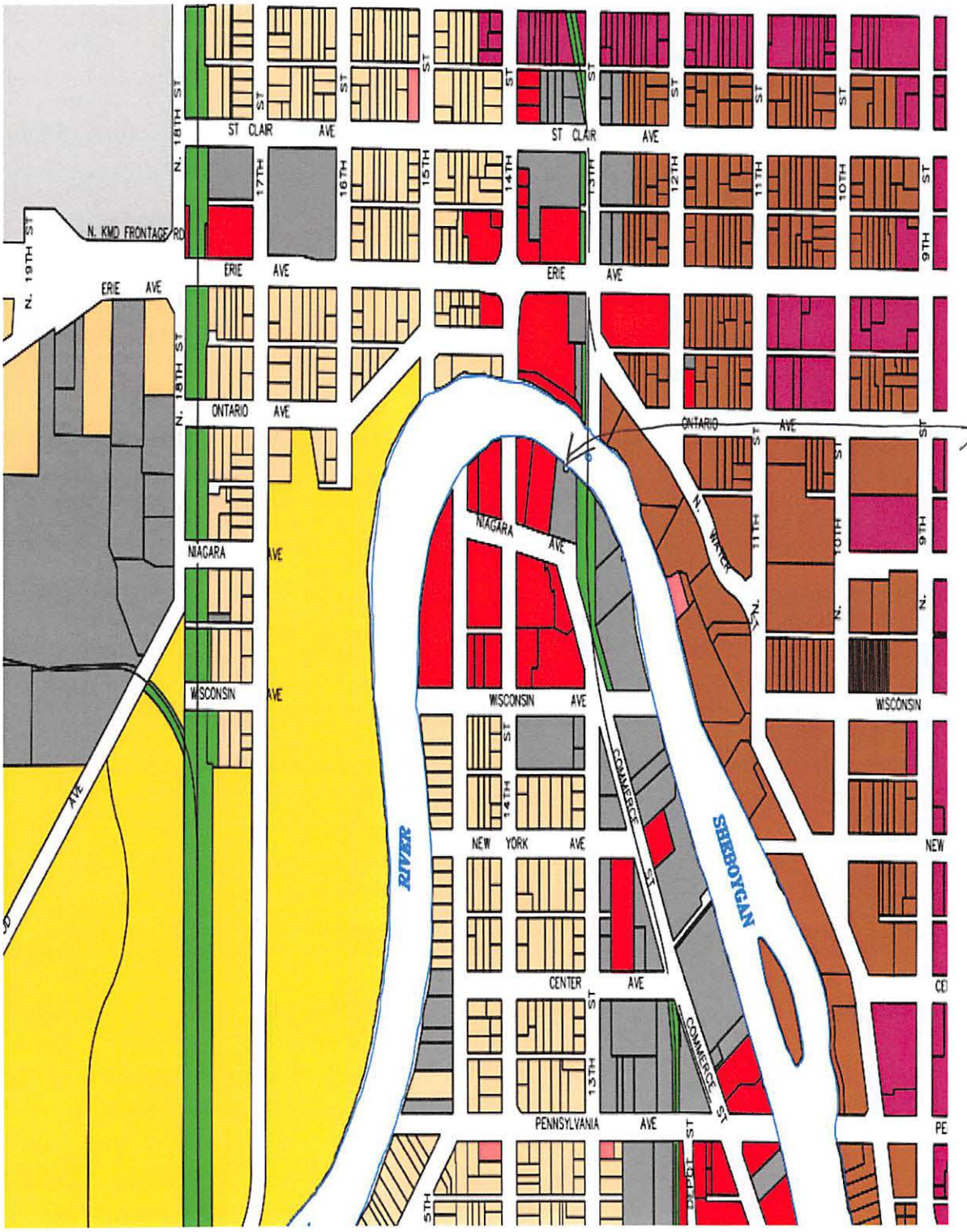
Sheboygan, WI 53081
Sheb 43.75°N, 87.72°W
Niagara Ave
2D

Sheb 43.75°N, 87.72°W
2D


Sheb 43.75°N, 87.72°W
2D

1316 Niagara Ave
Sheboygan River
ERIE HILL
Erie Ave
N 14th St
1316 Niagara A

Zoning Map


ST CLAIR AVE
N. 18TH ST
N. 19TH ST
N. KMD FRONTAGE RD
ERIE AVE
ONTARIO AVE
NIAGARA AVE
WISCONSIN AVE
NEW YORK AVE
CENTER AVE
PENNSYLVANIA AVE
COMMERCE ST
N. WATER ST
RIVER
SHEBOYGAN
Subject parcel

Base Zoning Districts

SR-3 - Suburban Residential 3

SR-5 - Suburban Residential 5

NR - Neighborhood Residential

MR-8 - Mixed Residential 8

UR - Urban Residential 12

SO - Suburban Office

NO - Neighborhood Office

SC - Suburban Commercial

NC - Neighborhood Commercial

UC - Urban Commercial

CC - Central Commercial

PPUD - Pre-Planned Unit Developmen

PUD - Unit Development

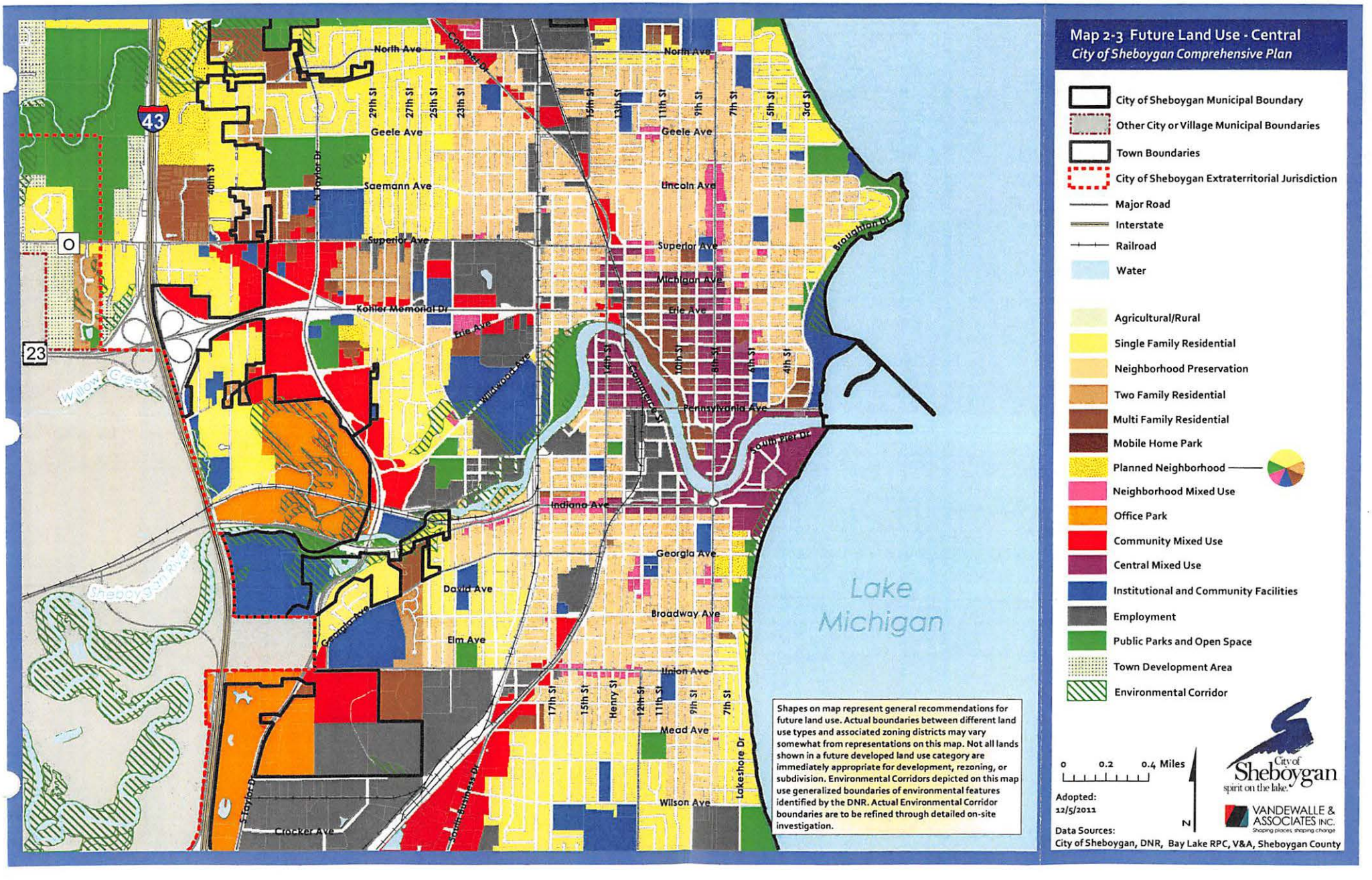
HI - Heavy Industrial

SI - Suburban Industrial

UI - Urban Industrial

RA - /Agricultural

RR - RailRoad


Map 2-3 Future Land Use - Central
City of Sheboygan Comprehensive Plan
City of Sheboygan Municipal Boundary
Other City or Village Municipal Boundaries
Town Boundaries
City of Sheboygan Extraterritorial Jurisdiction
Major Road
Interstate
Railroad
Water
Agricultural/Rural
Single Family Residential
Neighborhood Preservation
Two Family Residential
Multi Family Residential
Mobile Home Park
Planned Neighborhood
Neighborhood Mixed Use
Office Park
Community Mixed Use
Central Mixed Use
Institutional and Community Facilities
Employment
Public Parks and Open Space
Town Development Area
Environmental Corridor
Shapes on map represent general recommendations for future land use. Actual boundaries between different land use types and associated zoning districts may vary somewhat from representations on this map. Not all lands shown in a future developed land use category are immediately appropriate for development, rezoning, or subdivision. Environmental Corridors depicted on this map use generalized boundaries of environmental features identified by the DNR. Actual Environmental Corridor boundaries are to be refined through detailed on-site investigation.
0 0.2 0.4 Miles
N
Adopted:
12/5/2011
Data Sources:
City of Sheboygan, DNR, Bay Lake RPC, V&A, Sheboygan County
City of Sheboygan
spirit on the lake.
VANDEWALLE & ASSOCIATES INC.
Shaping places, shaping change
Lake Michigan
North Ave
Geele Ave
Saemann Ave
Superior Ave
Kohler Memorial Dr
Erie Ave
Michigan Ave
Lincoln Ave
Pennsylvania Ave
South Pier Dr
Indiana Ave
Georgia Ave
David Ave
Broadway Ave
Elm Ave
Union Ave
Mead Ave
Wilson Ave
Cleveland Ave
Willow Creek
Sheboygan Marsh
Columbus Dr
Taylor Dr
Lakeshore Dr
Broughton Dr
43
23
29th St
27th St
25th St
23rd St
15th St
13th St
11th St
9th St
7th St
5th St
3rd St
17th St
Henry St
12th St

MRED ASSOCIATES, 14TH/ERIE
PO BOX 1159
DEERFIELD,IL 60015

MILLENNIUM PROPERTIES INC
PO BOX 934
SHEBOYGAN,WI 53082

SHEB RIVERSIDE BOAT CLUB
PO BOX 313
SHEBOYGAN FLS,WI 53085

SHEBOYGAN BOAT DOCTORS LLC
1320 NIAGARA AVE
SHEBOYGAN,WI 53081

CITY OF SHEBOYGAN CITY ATTORNEY
828 CENTER AVE
SHEBOYGAN,WI 53081

CITY OF SHEBOYGAN
828 CENTER AVE STE 304
SHEBOYGAN,WI 53081

SHEB RIVERSIDE BOAT CLUB
PO BOX 313
SHEBOYGAN FLS,WI 53085

SHEBOYGAN COUNTY WISCONSIN PLANNING DEPT
508 NEW YORK AVE
SHEBOYGAN,WI 53081

RABIT PROPERTIES, LLC
827 N 14TH ST
SHEBOYGAN,WI 53081

RABIT PROPERTIES, LLC
827 N 14TH ST
SHEBOYGAN,WI 53081

II

R. O. No. _____ - 19 - 20. By CITY CLERK. May 6, 2019.

Submitting a pending claim from John Potter for alleged damages to his vehicle when it was struck by an ambulance.

_____
CITY CLERK

Finance + Personnel

DATE RECEIVED: 4-12-19 RECEIVED BY: NKC 1-19

CLAIM NO. 1-19

CITY OF SHEBOYGAN NOTICE OF DAMAGE OR INJURY

INSTRUCTIONS: TYPE OR PRINT IN BLACK INK

APR 12'19 PM 3:12

1. Notice of death, injury to persons or to property must be filed not later than 120 days after the occurrence.
2. Attach and sign additional supportive sheets, if necessary.
3. This notice form must be signed and filed with the Office of the City Clerk.

4. .....

1. Name of Claimant: JOHN POTTER
2. Home address of Claimant: 1318 S 7TH ST SHEBOYGAN, WI 53081
3. Home phone number: 920-316-8131
4. Business address and phone number of Claimant: _____

5. When did damage or injury occur? (date, time of day) 12/2018 - EVENING
6. Where did damage or injury occur? (give full description) OUTSIDE RESIDENCE, CAR WAS PARKED ON STREET
7. How did damage or injury occur? (give full description) AMBULANCE HIT
8. If the basis of liability is alleged to be an act or omission of a City officer or employee, complete the following:

   (a) Name of such officer or employee, if known: _____

   (b) Claimant's statement of the basis of such liability: THE AMBULANCE HIT MY CAR
9. If the basis of liability is alleged to be a dangerous condition of public property, complete the following:

   (a) Public property alleged to be dangerous: _____

   (b) Claimant's statement of basis for such liability: _____

10. Give a description of the injury, property damage or loss, so far as is known at this time. (If there were no injuries, state "NO INJURIES").

BUMPER DENTED + SCRATCHED, TAIL LIGHT BROKEN

11. Name and address of any other person injured: _____

12. Damage estimate: (You are not bound by the amounts provided here.)

Auto: $ 1009

Property: $ _____

Personal injury: $ _____

Other: Specify below $ _____

TOTAL $ _____

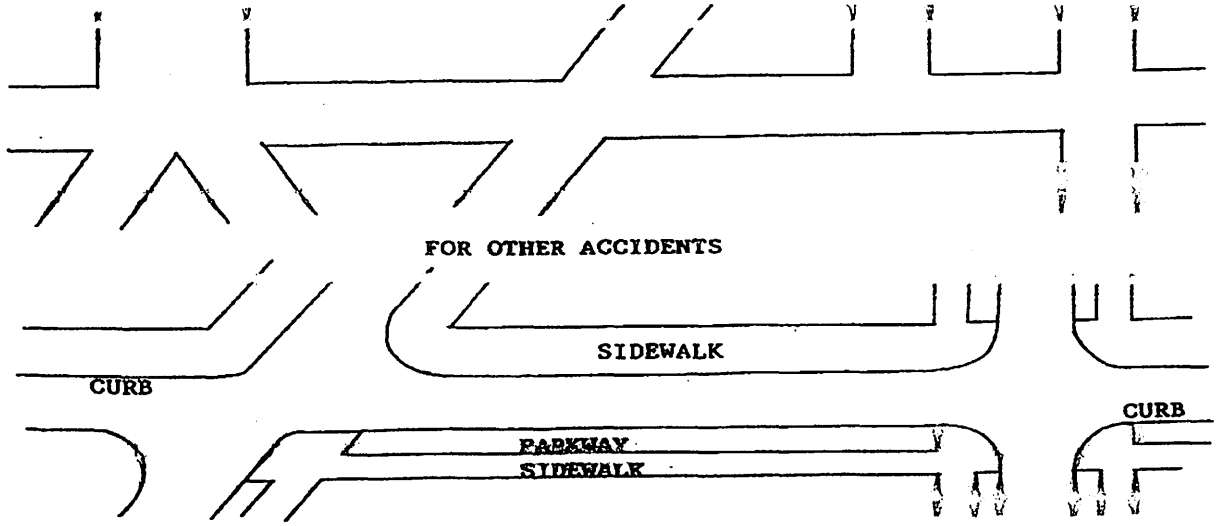
Damaged vehicle (if applicable)

Make: TOYOTA Model: CAMRY Year: 2006 Mileage: 205000

Names and addresses of witnesses, doctors and hospitals: CHECK STATEMENT BY OFFICER

FOR ALL ACCIDENT NOTICES, COMPLETE THE FOLLOWING DIAGRAM IN DETAIL. BE SURE TO INCLUDE NAMES OF ALL STREETS, HOUSE NUMBERS, LOCATION OF VEHICLES, INDICATING WHICH IS CITY VEHICLE (IF APPLICABLE), WHICH IS CLAIMANT VEHICLE, LOCATION OF INDIVIDUALS, ETC.

NOTE: If diagrams below do not fit the situation, attach proper diagram and sign.



SIGNATURE OF CLAIMANT _____ DATE _____

DATE RECEIVED _____ RECEIVED BY _____

CLAIM NO. _____

CLAIM

Claimant's Name: John Potter

Claimant's Address: 1318 S 7th St
Sheboygan, WI 53081

Claimant's Phone No. 920-316-8131

Auto	$ See estimate provided
Property	$
Personal Injury	$
Other (Specify below)	$
TOTAL	$

PLEASE INCLUDE COPIES OF ALL BILLS, INVOICES, ESTIMATES, ETC.

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM.
(WISCONSIN STATUTES 943.395)

The undersigned hereby makes a claim against the City of Sheboygan arising out of the circumstances described in the Notice of Damage or Injury. The claim is for relief in the form of money damages in the total amount of $_____.

SIGNED _____ DATE: 4-5-19

ADDRESS: 1318 S 7th St Sheboygan, WI 53081

MAIL TO: CLERK'S OFFICE
828 CENTER AVE #100
SHEBOYGAN WI 53081

II

R. O. No. _____ - 19 - 20. By CITY CLERK. May 6, 2019.

Submitting a Notice of Injury and Notice of Claim from Dierkes Law Office, LLC on behalf of their client, James S. Pulaski for the alleged wrongful taking of property, an improper raze, an unlawful entry, seizure and destruction of property by the City of Sheboygan.

Finance Personnel

_____
CITY CLERK

MKC 4/25/19 3-19 claim #

APR 25 '19 PM 2:51

Dierkes
LAW OFFICE, LLC

Thursday, April 25th, 2019

City of Sheboygan
City Clerk Meredith DeBruin
606 North 9th Street
Sheboygan, Wisconsin

Process Server
Date: 4/25/19 Time: 2:46 am/pm
( ) Personal ( ) Substitute
( ) Posted (X) Corporate

City of Sheboygan
Building Inspection Dept
% City Attorney Charles Adams
1211 N. 23rd Street
Sheboygan, Wisconsin 53081

Re: Notice of Injury and Notice of Claim
736 South Water Street, City of Sheboygan- James S. Pulaski

Please be advised that I represent Mr. James S. Pulaski, the claimant, who is a Wyoming resident with an address of 1381 Taylor Ave, Sheridan, Wyoming 82801. Mr. Pulaski, is also the owner of the property located at 736 South Water Street, in the City of Sheboygan, which at one time included land and improvements, but now only includes land. This letter serves as Mr. Pulaski's Notice of Injury and Claim pursuant to Wis.Stat. §893.80 et al.

As I understand it, the purpose of such notice and claim is to provide the City with an opportunity to investigate, evaluate and potentially resolve a claim prior to litigation. It is my client's hope that this matter can be resolved short of litigation as well, and after investigation and review of the issue it is our hope the City of Sheboygan will adequately address the injury and damage claim.

The circumstances of the injury are as follows: Mr. Pulaski, in January of 2019, learned that the City of Sheboygan razed, demolished, and removed Mr. Pulaski's home (improvement) located on south water street, along with the personal property contained therein, and upon information and belief the raze, removal, and demolition process constituted a wrongful taking of property, an improper raze, an unlawful entry, seizure and destruction of his property, conversion, and also in violation of due process rights secured by the United States and Wisconsin Constitution, section 42 USC 1983, and a deprivation of rights secured for the life, liberty, and property of Mr. Pulaski.

Process Server _____
Date _____ Time _____ am/pm
( ) Personal ( ) Substitute
( ) Posted ( ) Corporate

Not all of Mr. Pulaski's claims require this notice of injury or claim prior to filing suit, nor are all claims subject to the monetary damage limit by Wisconsin Statute. However, in an effort for resolution, he submits this notice of injury and claim prior to filing suit. Further, since the City has already demolished his property, Mr. Pulaksi elects monetary damages as his requested form of relief, and in the amount of $50,000.00.

It is my understanding that Mr. Pulaski's claims, injury, and facts and circumstances of his objection to this event are not new to the City. Mr. Pulaski has met with the City of Sheboygan Attorney and conveyed his concerns and injury related to this issue, spoken with the Mayor, and attached and incorporated herein as an exhibit, is Mr. Pulaski's previously sent email communication to the Mayor.

It is my client's hope that an amicable resolution can be promptly reached.

Regards,

Dierkes Law Office, LLC

Jason E. Dierkes
Attorney at Law
dierkes@dierkeslaw.com

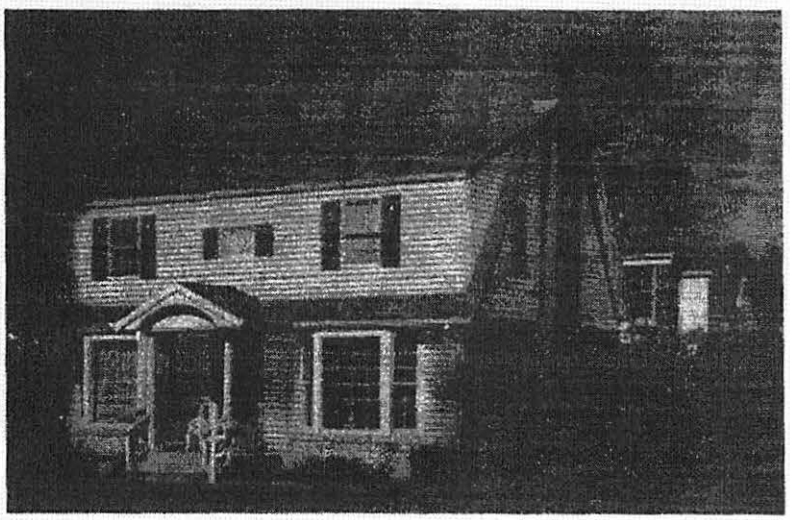
JED/jed
File No: 19-1270
Enclosures: As stated
C:

Dear Mayor Vandersteen

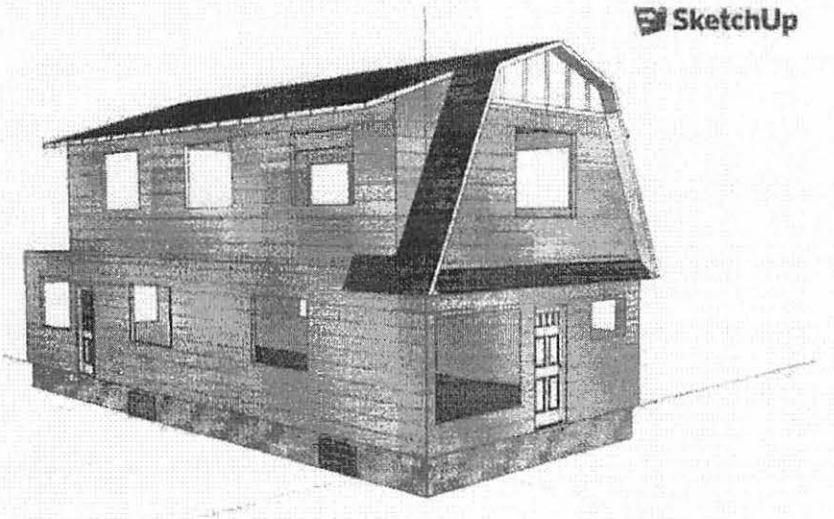
Thank you for taking the time to speak with me on Friday April 12th regarding the property I own at 736 S Water Street, Sheboygan. From our conversation you had mentioned a desire to view pictures of the interior of the building to see the work that had been performed. I will get to those in a moment but first let me review a few of the salient points that were made during our conversation:

- I can document that public servants of the City of Sheboygan had my contact information, they sit next to each other and that they could have easily contacted me had they chosen to do so, specifically:
  - The City Planner and I had on a few occasions sat across from each other in his office discussing a range of topics, including the possibility of a land swap to accommodate a river walk path on the Eastern corridor of this property, the elimination of noxious weeds from the property, etc.. Chad had additional correspondence on these subjects via my Veterans Administration email address, which at the time the raze order that was executed without my knowledge, continued to be an active email account. My work and home phone numbers were at the conclusion of every email.
  - The Building inspector's office, Pat Eirich, South Side Building Inspector, had a number of conversations on my gmail account, jp306972@gmail.com. I purchased a service to educate me on the specifics of becoming a Dwelling contractor, that is, someone who wants to perform the construction themselves using family and friends. I learned the building code but Pat and I had several conversations and on-site visits to the property to assure that the work I was performing was to code, something I took very seriously. Perhaps after reading this email you could call Pat and ask him if he thought I was a good egg. I certainly have a lot of respect for Pat, he is a good guy and a hard worker.
  - Captain Gary Hart, a professional acquaintance and friend, from Zablocki VA Medical Center and a member of the Sheboygan community, advised that I call the City of Sheboygan Police department so they would have good contact information. This was good advice, as the kids from the High School up the street, on two separate occasions, had broken into the property on days I was there. This in fact was one of the reasons some of the windows were boarded up, for security purposes. After I learned that my property had been razed, I called the City of Sheboygan Police, identifying myself and asking them to verify the contact info they had on file for me. It was valid contact info. At the conclusion of the last building season we took extra percussions in boarding any areas of vulnerability and posting no trespassing signs with my phone number listed on the house.
  - The Code Enforcement Officer had my contact info, as I had called to complain about the conditions that existed on the property next door to mine, owned by a slum-lord named Ryan. I was witnessing crack head behavior from some of the tenants, other tenants were complaining to me about water running into the house during rain storms and the presence of black mold growing on the walls and in the basement. The Code Enforcement Officer never returned my call though I conveyed current contact info.
  - The Power Company, Tax Assessors Office, and Refuse removal all had my contact info
- Had I been contacted with concerns about the property, I would have simply paid a subcontractor to install the new windows and siding to upgrade the external appearance of the property. As I stated this was our next goal for the property. However, when my cousin Gary was diagnosed with prostate cancer and underwent subsequent surgery, it slowed our progress to internal work on a much smaller scale.
- My first knowledge that the City of Sheboygan had taken action of the property was when a relative, I have an aunt, two first cousins and their families living in your community, called me to tell me that my house was missing.
- I am crestfallen by the loss of this property. Yes, it had older metal siding and some boarded up windows but the grounds were well cared for, it had some new windows and doors, a new roof and a new rear deck installed, we had removed almost all the overgrown trees and shrubs and had picked up any trash that was on the property.
- I am not mistaken when I state that his property looked better from the outside than many of the properties along South Water Street but more importantly the house was really shaping up. A few summers of working every weekend had really made a difference. There were views of the harbor and lighthouse from the second floor, the new rear windows had gorgeous views of the Sheboygan river and the open-concept floorplan we had achieved on both the 1st and 2nd floors, internally framed for six 4' by 5' windows upstairs, with larger windows front and rear and the two 36' entry doors and 6 foot glass slider on the main floor along with framework for larger modern windows, really had me hopeful that the finished home would be both beautiful and practical.

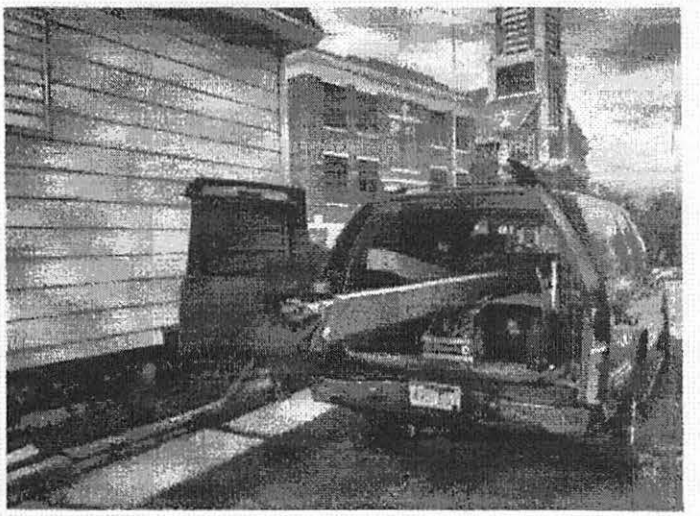
Here is an early rendition of the look I was hoping to achieve – the chimney would be deleted and instead, a front door with large front window would face the street where the chimney is pictured:



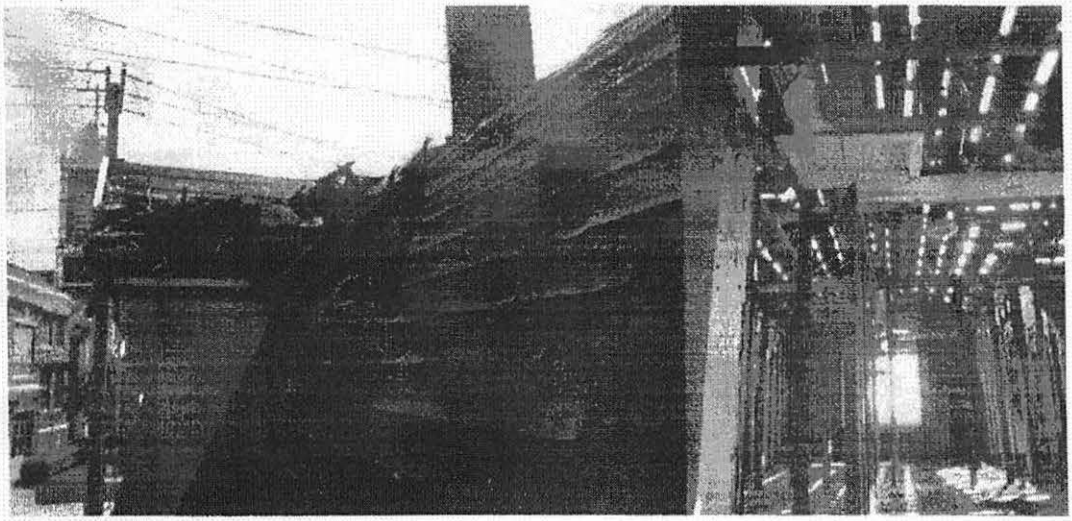
This is print of a practical drawing I made in Google SketchUp Professional, it was based upon this look. That drawing should be on file in the building permit office. This 3d drawing contains details of interior framing as well



I will be honest with you, when I first bought the property in January of 2016, I strongly considered tearing it down knowing that new construction on that lot might be less labor intensive. After inviting my cousin Gary to examine the property with me, we concluded that the bones of the house were still good and because of the simplicity of its design it would be easy to modernize. This assessment was dependent upon the foundation being salvageable. I caught a break in that my neighbors in West Allis, ran a foundation business using the garage next to mine as their base of operations for work within West Allis. I talked them into leveling and re-grouting the foundation. Additionally, Gary and I purchased a number of heavy timbers and floor jacks to level the 1st floor. We also replaced or added a number of floor joists.

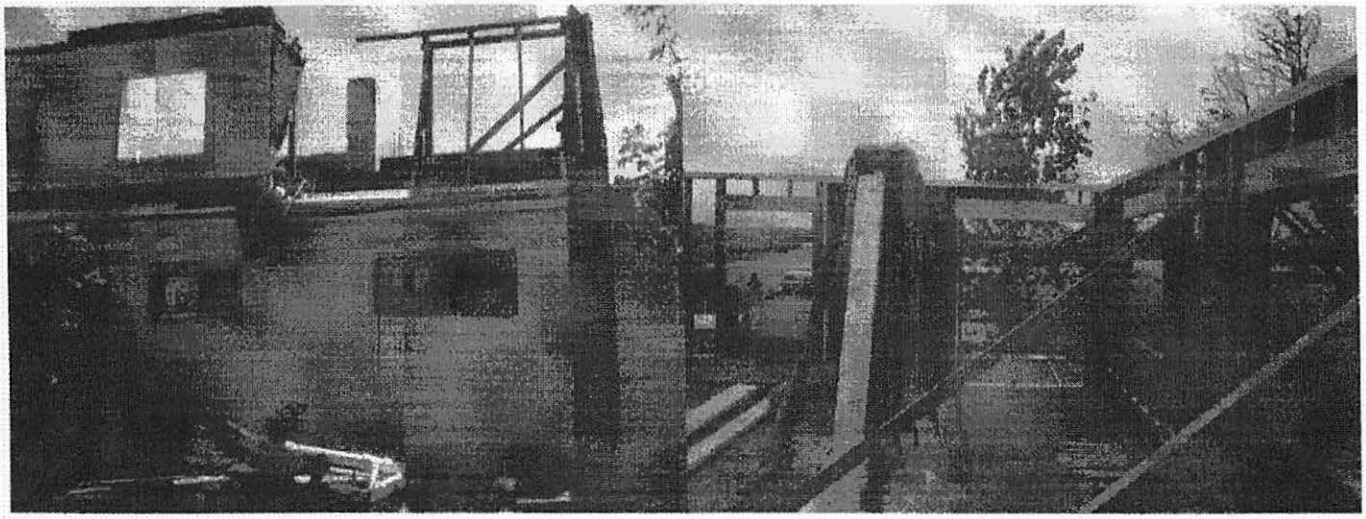


Our next goal: The roof was in bad shape, it could have possibly been salvaged by someone with greater experience with roofing, instead we chose to remove it completely and replace it. The old roof, outside and inside pictures:

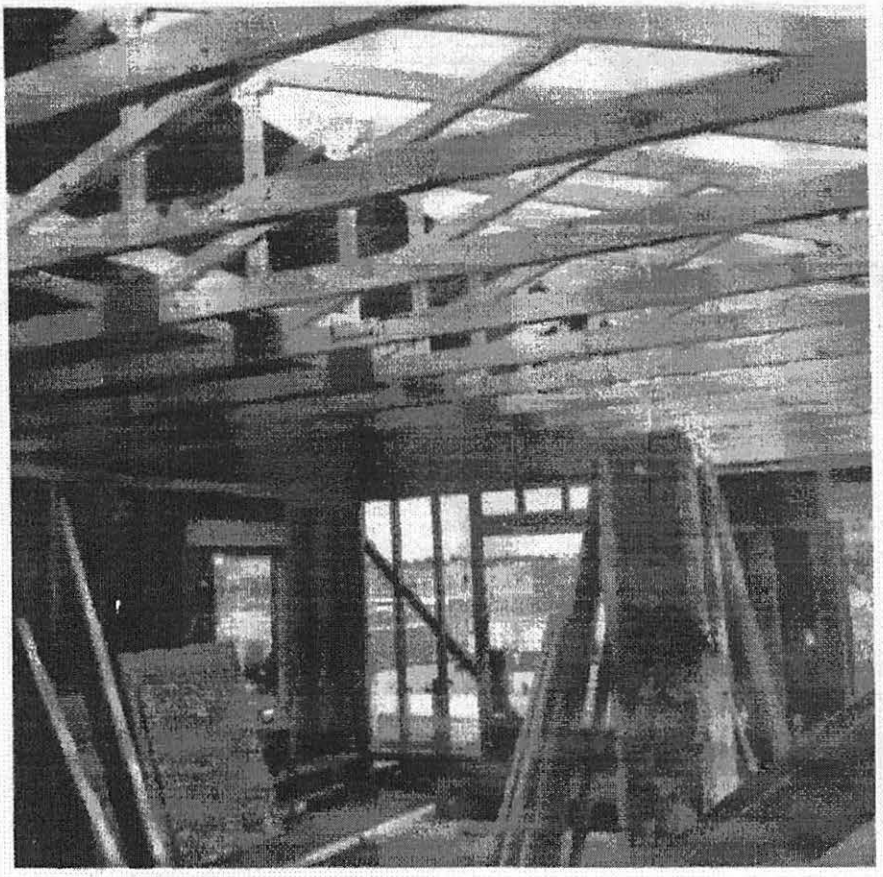


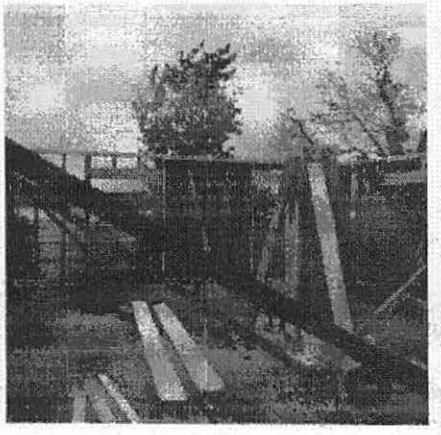
This is perhaps one of my favorite pictures of the project: My dad, cousin Gary and cousin Neejama (who is now a fireman in Houston) working together to remove the old roof. We kept many of the old, true 2" by 4" studs for reuse later but we still filled 3 Midshores dumpsters with refuse. In this picture, I'm feeling a lot of pride in my family for what we can accomplish together. My dad is a retired Air Force Master Sargent who 100% disabled. He has brain damage from falling off a fire truck. He would get confused and wander off but we would go find him and put him back to work. He was having fun with the boyz and was very happy to be helping out. His personality is there but his short term memory is gone. Gary is a Veteran of the Vietnam war. Two of the reasons I took pride in working for the Veterans Administration.

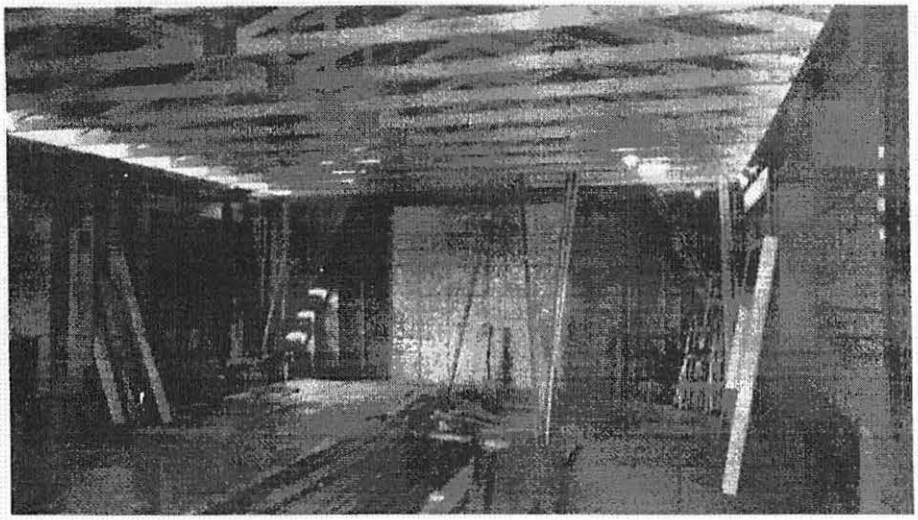
This corner of the house was a problem and required replacement. we removed both of the old chimneys as they are impractical with modern high efficiency HVAC. Here that corner of the house has been replaced, all the new windows and the sliding door opening are is framed. We are now ready to install the new roof.



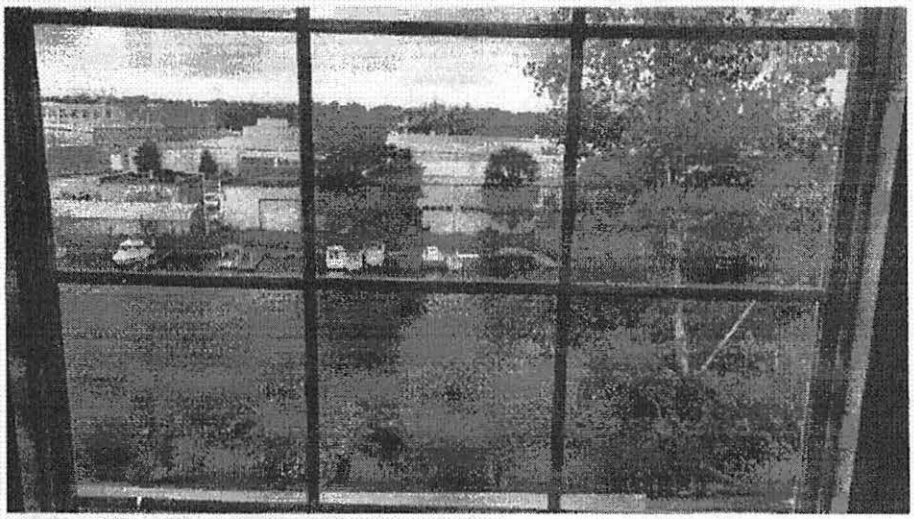
Here is the completely new roof as taken inside from the 2nd floor looking from the river to the front street. Note the new roof joists and decking, this floor gets framed to 4' by 5' windows on both sides of the 2nd floor, the front window is larger 4' by 6' and rear (facing the river) gets a sliding glass door and new windows. The 2nd story flooring hadn't been replaced yet in this picture.

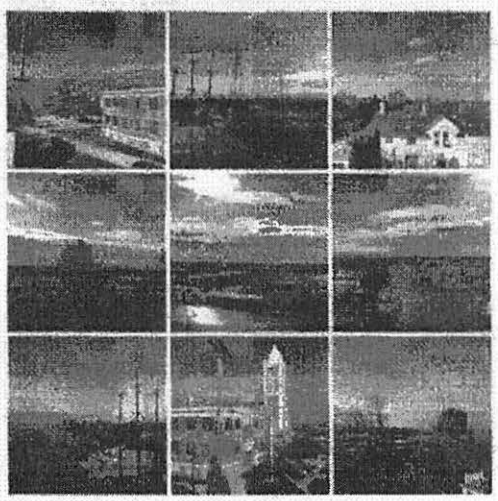






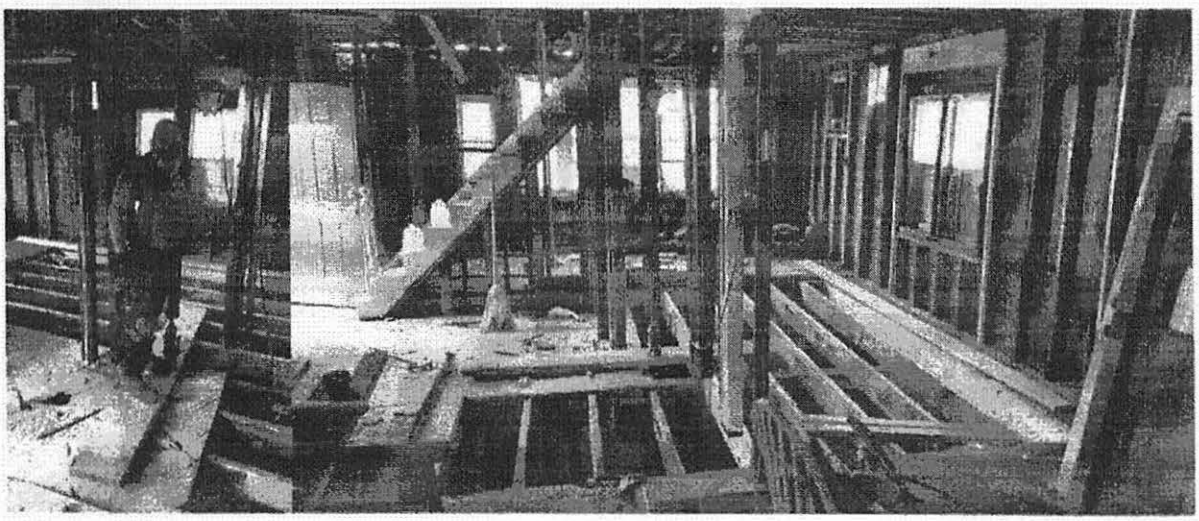
View from the new 2nd floor window of the Sheboygan river below. Note at this point we hadn't removed the 1st story dilapidated rear sun room. That came later when we created a new rubber lined deck off the back of the house facing the river. A collage of 2nd story views.

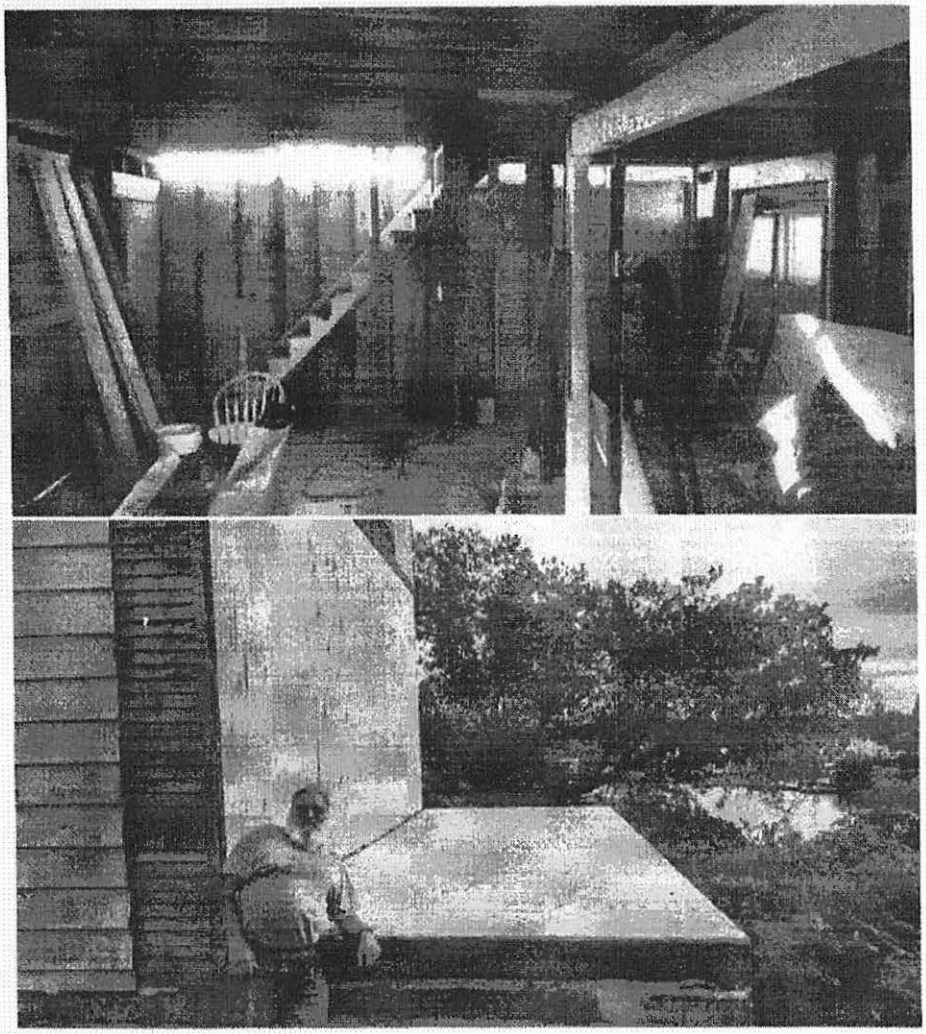




I used to love that that St Cyril & Methodius Parish hosted so many weddings. At times I would begin my day by attending services there before beginning work on the house. Check out the properties next door, July 15th, 2017. Ryan's roof had been like that the past several years, the city didn't have any difficulties in communicating with him. In all honesty I think my property looked better than many on my block. When this picture was taken the roof on the property next door was leaking into the rooms and basement allowing black mold to grow, and I had to be constantly vigilant of the crack head renters in this and other properties along this street. I felt that my house could be the start of renaissance for this street.

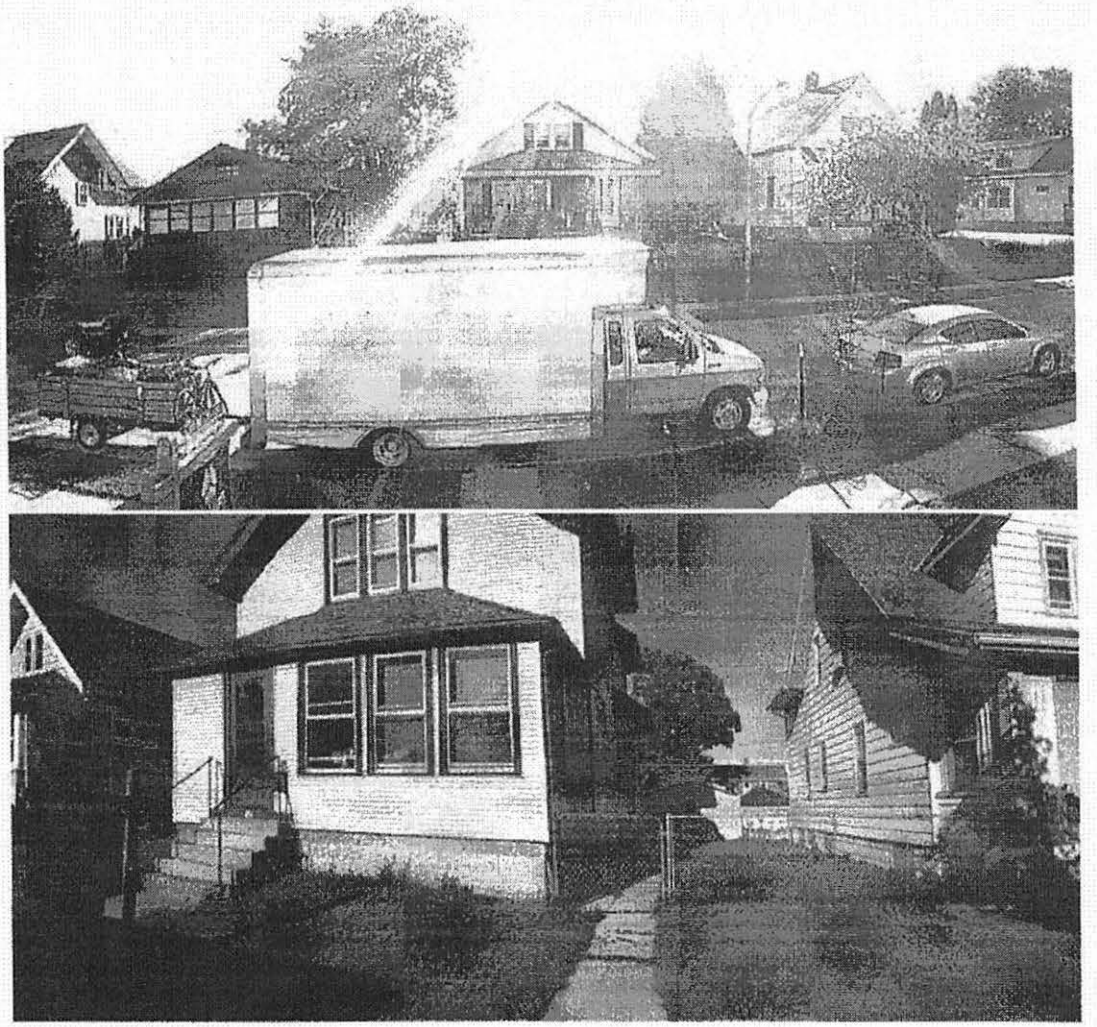
The backside (river facing) sunroom gets demoed and the interior flooring and some joists need replacement. Gary is a card:



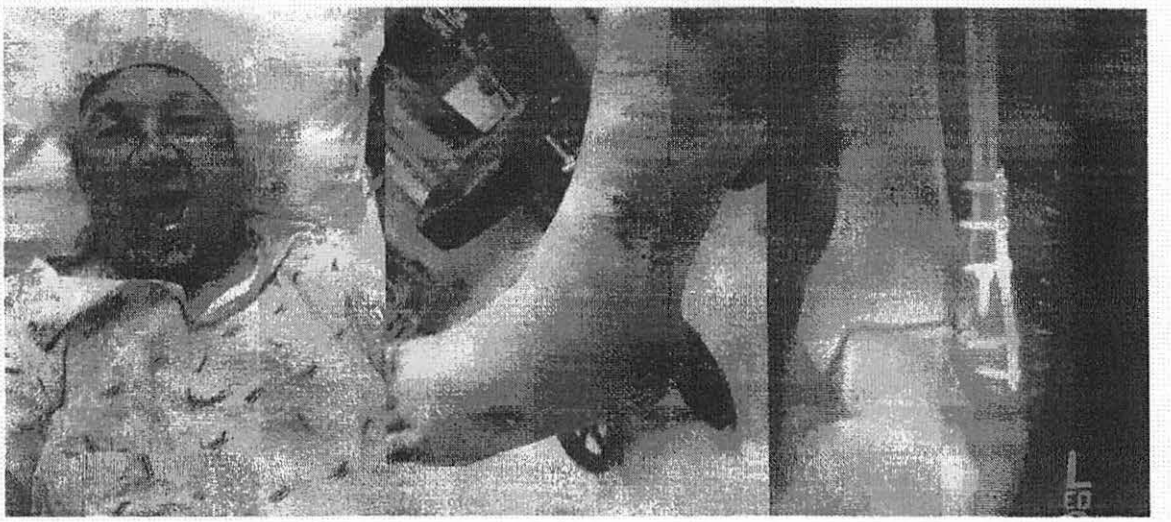


This spring would have been the 2019 construction season. For the 2018 construction season Gary we weren't able to accomplish as much, mostly rubberizing the rear deck, and placing Tyvek on the external walls that were exposed in preparation for siding and windows along with some interior framing. Gary found he had prostate cancer, I broke off a long engagement with my fiancée and by October 2017, I began a position in Sheridan Wyoming with the Veterans Administration. I strongly considered financing the installation of siding and windows through a contractor. I had no reason to believe that it couldn't wait. Had I been communicated with by any employee of the City of Sheboygan, all of whom could have easily contacted me, I would certainly financed siding and windows. I had already asked for bids on the job from Feldco and some local contractors. However, I had a lot of vacation time coming and Gary was improving after a successful surgery. I suspected we might get more done before winter set in.

The 4th of July 2018 holiday was taken up moving my ex-fiancee out of the house we co-owned in West Allis. I bought an old U-Haul for this as I thought it would come in handy in Sheboygan.



The move was horrendous! That poor U-Haul was stuffed to the gills. At this point I still had no contact from anyone within the City of Sheboygan, no letters to the West Allis Address, no emails, no phone calls. Still though, In speaking with Gary we wanted to push ahead and had one more opportunity to get more done that year. We had friends and family to help us and were shooting for the week of Labor day. I would fly-in from Sheridan and stay with either Gary or my family members in Sheboygan. However, on returning from the Sturgis Bike Rally in August, I broke my ankle which required surgery.



Of course now it was late in the construction season, no one had contacted me with any issues about the property. I had hired someone to mow the lawn occasionally, I had no reason to suspect there was any dissatisfaction by the city or that the City was considering a Raze Order. Again had I suspected, I would have financed the installation of the windows and siding, as that was the next logical step in the home's construction and was within my means to do so. If anything it would have accelerated our schedule.

During the 1st week of January, a relative was driving past the property and called me. "Your house is gone", they said. This is the first I knew that there was any kind of a problem. I think you can see from these pictures and the story of the house that we are a family that was hoping to experience the benefits of the beautiful Sheboygan area and that this home was to be used in our retirement plans as well. I had planned on putting my retired aunt Judy (a Sheboygan resident) on the 1st floor throughout the year with the second floor available to the family for fishing excursions and for enjoying the beautiful amenities Sheboygan has to offer. I was considering relocating to Sheboygan full-time as I had been able to serve my parents successfully during my time in Sheridan.

Certainly you can see that his factual account is damaging to the reputation of the City. In my opinion your employees Mayor Vandersteen, purposely chose not to contact me because they want this land to build another apartment complex or for other development. Keep in mind, when my family risked their capital and their hard work to make something of this building many of the properties in Sheboygan were run down, the old museum below me was boarded up, the property next to me was falling down, the grounds were overrun with noxious weeds, and the interior of the house was half gutted. Nobody else took the risk or put in the effort to better this property. Now that the economy is booming and everyone is building how easy it is to forget the little guys that took on a big risk at the time.

Having met with the Sheboygan City Attorney (not someone you want to put your constituents in front of) and having spoken with you, I have also met with a lawyer in Sheboygan that I plan to put on retainer. I am content to resolve this disaster amicably despite the personal sacrifice my family has endured in working to better a small part of your community. In my initial consult with this attorney he mentioned that we are swiftly approaching the 120 day deadline for bring suit against the city. Too much delay on anyone's part removes our ability to reach amicable resolution. The attorney and I have studied the "raze order" Wisconsin Statute, 66.0413. In my opinion, despite his arrogance and bluster, of your City Attorney he didn't dot all the I's nor cross all the t's.

More importantly Mayor Vandersteen, persons within the City Planning office (Chad Pelichack), within the Code enforcement office, and others have failed in their service to the public and to your administration. Anyone reading this factual account would have to arrive at the same conclusion.

Thank you, I look forward to your continued correspondence

James Pulaski

605-787-2388 cell with voice messaging.

II

R. O. No. _____ - 19 - 20. By CITY CLERK. May 6, 2019.

Submitting a claim from Todd Rautmann for alleged damages to his vehicle when it was struck by a snow plow.

_____

CITY CLERK

Finance
Personnel

4-29-19 RECEIVED BY MKC

CLAIM NO. 4-19

CITY OF SHEBOYGAN NOTICE OF DAMAGE OR INJURY

INSTRUCTIONS: TYPE OR PRINT IN BLACK INK

APR 29 '19 PM 12:35

1. Notice of death, injury to persons or to property must be filed not later than 120 days after the occurrence.
2. Attach and sign additional supportive sheets, if necessary.
3. This notice form must be signed and filed with the Office of the City Clerk.

4. **TWO ESTIMATES MUST BE ATTACHED IF YOU ARE CLAIMING DAMAGE TO A VEHICLE.**

1. Name of Claimant: TODD RAUTMANN
2. Home address of Claimant: 2005A N. 19TH ST, SHEBOYGAN, WI 53081
3. Home phone number: 920-830-8400
4. Business address and phone number of Claimant: _____
5. When did damage or injury occur? (Date, time of day) 1/28/2019 AT 5:36 PM
6. Where did damage or injury occur? (Give full description) CLEVELAND AVE, SHEBOYGAN WI (2-WAY TRAFFIC)
7. How did damage or injury occur? (Give full description) SNOW PLOW STRUCK TODD RAUTMANNS VEHICLE THAT WAS LEGALLY PARKED ON CLEVELAND AVE (N. 19TH ST)
8. If the basis of liability is alleged to be an act or omission of a City officer or employee, complete the following:
   (a) Name of such officer or employee, if known: Christian Anderson
   (b) Claimant's statement of the basis of such liability: Snow plow Driver, Vehicle Info: 2007 Dump truck Plate # 74103 WI
9. If the basis of liability is alleged to be a dangerous condition of public property, complete the following:
   (a) Public property alleged to be dangerous: N/A
   (b) Claimant's statement of basis for such liability: N/A
10. Give a description of the injury, property damage or loss, so far as is known at this time. (If there were no injuries, state "NO INJURIES").

DOOR, SIDE MIRROR / NO INJURIES

11. Name and address of any other person injured: _____

12. Damage estimate: (You are not bound by the amounts provided here.)

Auto:	$ 272.56
Property:	$
Personal injury:	$
Other: (Specify below	$
TOTAL	$ 272.56

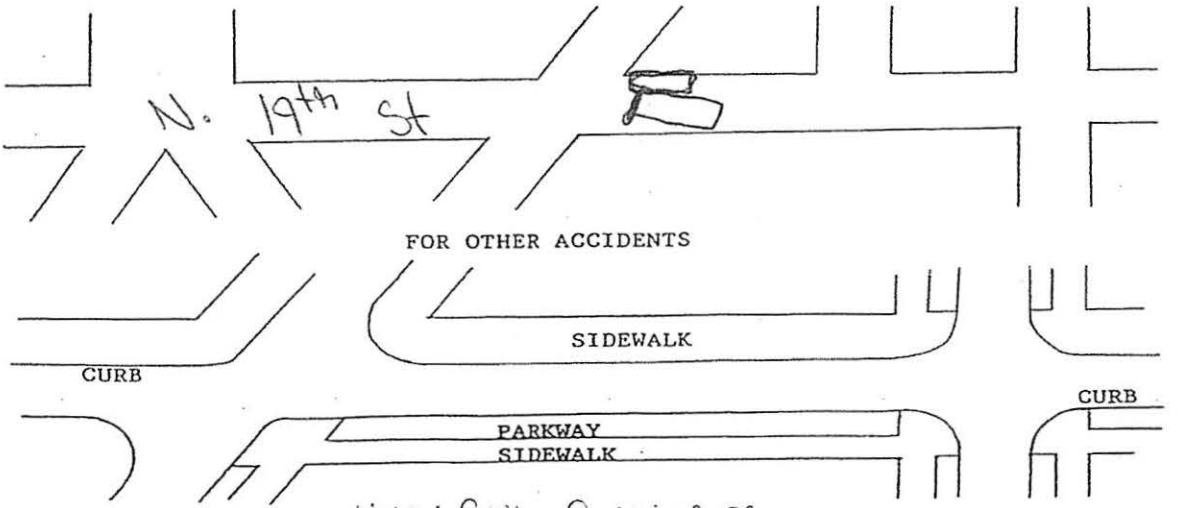
Damaged vehicle (if applicable)

Make: DODGE Model: DART Year: 2016 Mileage: 16,791

Names and addresses of witnesses, doctors and hospitals: _____

FOR ALL ACCIDENT NOTICES, COMPLETE THE FOLLOWING DIAGRAM IN DETAIL. BE SURE TO INCLUDE NAMES OF ALL STREETS, HOUSE NUMBERS, LOCATION OF VEHICLES, INDICATING WHICH IS CITY VEHICLE (IF APPLICABLE), WHICH IS CLAIMANT VEHICLE, LOCATION OF INDIVIDUALS, ETC.

NOTE: If diagrams below do not fit the situation, attach proper diagram and sign.



Second Look Inc. Representative: Erin Occhiogrosso

SIGNATURE OF CLAIMANT Erin Occhiogrosso DATE 4/19/2019

DATE RECEIVED 4-29-19 RECEIVED BY MRC

Todd Rautmann
Second Look Inc. A/S/O State Farm Insurance

CLAIM NO. 4T-1465-WOJ
File: 68039

CLAIM

Claimant's Name: Erin Occhiogrosso

Claimant's Address: 360 Motor Pkwy, Ste 500
Hauppauge, NY 11788

Claimant's Phone No. 631-393-7226

Auto	$ 272.56
Property	$
Personal Injury	$
Other (Specify below)	$
TOTAL	$ 272.56

PLEASE INCLUDE COPIES OF ALL BILLS, INVOICES, ESTIMATES, ETC.

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM. (WISCONSIN STATUTES 943.395)

The undersigned hereby makes a claim against the City of Sheboygan arising out of the circumstances described in the Notice of Damage or Injury. The claim is for relief in the form of money damages in the total amount of $ 272.56 **.**

State Farm Insurance A/S/O Todd Rautmann
In care of Second Look Inc.
Representative: Erin Occhiogrosso

SIGNED Erin Occhiogrosso **DATE:** 4/19/2019

ADDRESS: 360 Motor Pkwy, Suite 500 Hauppauge NY 11788

MAIL TO: CLERK'S OFFICE
828 CENTER AVE #100
SHEBOYGAN WI 53081

secondlook
Your claims recovered.

Auto Subrogation Demand

April 19, 2019

CITY OF SHEBOYGAN
898 CENTER AVE #100
SHEBOYGAN, WI 58081
Attention: CITY CLERK: MEREDITH DEBRUIN / MEREDITH.DEBRUIN@SHEBOYGANWI.GOV

RE:
OUR CLIENT: STATE FARM INSURANCE
CLIENT INSURED: TODD RAUTMANN
OUR FILE #: 68039 / 49-7463-W29
YOUR INSURED: DEPT. OF PUBLIC WORKS (CHRISTIAN ANDERSON)
YOUR CLAIM #: PLEASE PROVIDE
DATE OF LOSS: 11/18/2018
AMOUNT OF CLAIM: $272.56 ($250 DED + $22.56 PD)

To Whom it May Concern:

We have been retained by the above referenced client to handle subrogation on their behalf. They have advised us that your insured was involved in an auto accident with their insured on the above listed date of loss. Attached is a copy of our client's file. Our investigation places liability on your insured. Please review this claim and send payment for the amount listed above to our office payable to our client.

Thank you for your cooperation. If you require additional information, please contact the undersigned representative.

Sincerely,

Erin Occhiogrosso

Direct Dial: 631-393-7226
E-Mail: EOcchiogrosso@2ndlook.net

Wisconsin Motor Vehicle Accident Report MV4000e 01/2005

G7L0DCL4G5

PK2011

POLICE # C19-01857

ACCIDENT #

GENERAL INFORMATION

☒ Reportable Accident	☐ On Emergency	☐ Amended	DOT Document Number: G7L0DCL4G5	Document Override Number:
Agency Accident Number:		Police Number: C19-01857		

4 - Accident Date	5 - Time of Accident (Military Time)	6 - Total Units	7 - Total Injured	8 - Total Killed
01/28/2019	1736	2	0	0

2 - County	3 - Municipality	11 - Accident Location
SHEBOYGAN - 59	SHEBOYGAN - 61, CITY	NON-INTERSECTION

14 - On Hwy No.	14 - On Street Name	14 - Bus/Frnt/Rmp	15 - Est. Dist	FtMi	15 - Hwy. Dir
	N 19TH ST		149	F	SOUTH

16 - Fr/At Hwy No.	16 - From/At Street Name	16 - Business/Frontage/Ramp
	CLEVELAND AVE	

17 - Structure Type	17 - Structure Number	12 - Latitude	13 - Longitude
		43.766711525845	-87.73147041360

80 - First Harmful Event	93 - Manner of Collision
MOTOR VEHICLE IN TRANSPORT	SIDESWIPE, OPPOSITE DIRECTION

112 - Access Control	113 - Road Curvature	113 - Road Terrain	Surface Type
NO CONTROL	STRAIGHT	LEVEL/FLAT	BLACKTOP (BITMINOUS) - 2

115 - Traffic Way: NOT-PHYSICALLY-DIVIDED-(2-WAY-TRAFFIC)

117 - Relation To Roadway: ON-ROADWAY

114 - Light Condition	116 - Road Surface Condition	118 - Weather
DARK-NOT-LIGHTED	WET	SNOW

9	9	9	9	9
☐ Hit and Run	☐ Government Property	☐ Fire	☐ Photos Taken	☐ Trailer or Towed

9	9	9	9
☐ Truck, Bus, or Hazardous Materials	☐ Load Spillage	☐ Construction Zone	☐ Names Exchanged

101	102	103	79 - E M S Number
☐ Supplemental Reports	☐ Witness Statements	☐ Measurements Taken	

Operator/Pedestrian

OPERATOR/PEDESTRIAN 01

Unit Status	81 - Most Harmful Event: Collision With	23 - Dir Of Travel	24 - Speed Limit
	MOTOR VEHICLE IN TRANSPORT	SOUTH	25

36 - Operating as Classified	37 - Endorsements	35
C		☐ Operating Commercial Motor Vehicle

29 - Driver's License Number	30 - State	31 - Expiration Year	34 - On Duty Accident
A5361107018607	WI	2026	

25 - Operator/Pedestrian Last Name	25 - First Name	25 - Middle Initial	25 - Suffix
ANDERSON	CHRISTIAN	JAMES	

32 - Date Of Birth	33 - Sex
05/26/1970	M

26 - Address Street & Number	26 - PO Box
1915 N 23RD ST	

27 - City	27 - State	27 - Zip Code	28 - Telephone Number
SHEBOYGAN	WI	53081	920-226-0969

39 - Seat Position	40 - Safety Equipment
FRONT-SEAT-LEFT	SHOULDER-BELT-AND-LAP-BELT-USED

38 - Injury Severity	41 - Airbag	42 - Ejected	44
N - NO APPARENT INJURY	NON-DEPLOYED	NOT-EJECTED	☐ Medical Transport

43 - Trapped/Extricated	92 - Pedestrian Location	92 - Pedestrian Action
NOT-TRAPPED		

119 - What Driver Was Doing	120 - Traffic Control	62 - No. of Citations Issued
GOING-STRAIGHT	NO-CONTROL	0

64 - 1st Statute No.	64 - 2nd Statute No.	64 - 3rd Statute No.	64 - 4th Statute No.	64 - 5th Statute No.

122 - Driver Factors: OTHER

88 - Driver or Pedestrian Cond	89 - Substance Presence
APPEARED NORMAL	NEITHER-ALCOHOL-NOR-DRUGS-PRESENT

90 - Alcohol Test	90 - Alcohol Content	91 - Drug Test
TEST NOT GIVEN		TEST-NOT-GIVEN

91 - Drugs Reported
124 - Highway Factors

Vehicle

VEHICLE 01

21 - Unit Type	Vehicle Type	22 - Total Occupants
TRUCK	SNOWPLOW	1

56 - License Plate Number	57 - Plate Type	58 - State	59 - Exp Year	55 - Vehicle Identification Number
74103	MUN	WI		1HTWXAHT47J527797

50 - Year	51 - Make	52 - Model	53 - Body Style	54 - Color	100 - Skidmarks to Impact (Ft)
2007	INTL	DUMP TRUCK	CB	BLU	

94 - Vehicle Damage: NO DAMAGE

95 - Extent Of Damage	98	97 - Vehicle Removed By
NONE	☐ Vehicle Towed Due To Damage	OPERATOR

123 - Vehicle Factors: NOT-APPLICABLE

Vehicle Owner

VEH OWNER 01

45 ☐ Vehicle Owner Same As Operator

46 - Vehicle Owner Last Name	46 - First Name	46 - Middle Initial	46 - Suffix	Date Of Birth

46 - Company Name: DEPARTMENT OF PUBLIC WORKS

47 - Address Street & Number	47 - PO Box
2026 NEW JERSEY AVE	

48 - City	48 - State	48 - Zip Code	49 - Telephone Number
SHEBOYGAN	WI	53081	920-459-3440

Insurance

INS 01

63 - Liability Insurance Company	60 ☐ Policy Holder Same As Owner

61 - Policy Holder Last Name	61 - Policy Holder First Name

61 - Policy Holder Company:

School Bus

BUS 01

Bus Travelling to/from	School Name	Body Make	Seating Capacity
○ To ○ From			

School District Contracted With:

Operator/Pedestrian

Unit Status	81 - Most Harmful Event: Collision With	23 - Dir Of Travel	24 - Speed Limit
	MOTOR VEHICLE IN TRANSPORT		25

36 - Operating as Classified	37 - Endorsements	35 ☐ Operating Commercial Motor Vehicle
D		

29 - Driver's License Number	30 - State	31 - Expiration Year	34 - On Duty Accident
R3558166846209	WI	2023	

25 - Operator/Pedestrian Last Name	25 - First Name	25 - Middle Initial	25 - Suffix
RAUTMANN	TODD	RONALD	

32 - Date Of Birth	33 - Sex
12/22/1968	M

26 - Address Street & Number	26 - PO Box
2005A N 19TH ST	

PK2011

OPERATOR/PEDESTRIAN 02

27 - City	27 - State	27 - Zip Code	28 - Telephone Number
SHEBOYGAN	WI	53081	

39 - Seat Position	40 - Safety Equipment
FRONT-SEAT-LEFT	RESTRAINT-USE-UNKNOWN

38 - Injury Severity	41 - Airbag	42 - Ejected	44
N - NO APPARENT INJURY	NON-DEPLOYED	NOT-EJECTED	☐ Medical Transport

43 - Trapped/Extricated	92 - Pedestrian Location	92 - Pedestrian Action
NOT-TRAPPED		

119 - What Driver Was Doing	120 - Traffic Control	62 - No. of Citations Issued
LEGALLY-PARKED	NO-CONTROL	0

64 - 1st Statute No.	64 - 2nd Statute No.	64 - 3rd Statute No.	64 - 4th Statute No.	64 - 5th Statute No.

122 - Driver Factors
NOT-APPLICABLE

88 - Driver or Pedestrian Cond	89 - Substance Presence
APPEARED NORMAL	NEITHER-ALCOHOL-NOR-DRUGS-PRESENT

90 - Alcohol Test	90 - Alcohol Content	91 - Drug Test
TEST NOT GIVEN		TEST-NOT-GIVEN

91 - Drugs Reported

124 - Highway Factors

Vehicle

VEHICLE 02

21 - Unit Type	Vehicle Type	22 - Total Occupants
AUTOMOBILE	PASSENGER-CAR	1

56 - License Plate Number	57 - Plate Type	58 - State	59 - Exp Year	55 - Vehicle Identification Number
502PUJ	AUT	WI		1C3CDFAA8GD624387

50 - Year	51 - Make	52 - Model	53 - Body Style	54 - Color	100 - Skidmarks to Impact (Ft)
2016	DODG	DART	SD	BLK	

94 - Vehicle Damage
FRONT DRIVER SIDE

95 - Extent Of Damage	98	97 - Vehicle Removed By
MINOR	☐ Vehicle Towed Due To Damage	OPERATOR

123 - Vehicle Factors
NOT-APPLICABLE

Vehicle Owner

VEH OWNER 02

45 ☒ Vehicle Owner Same As Operator

46 - Vehicle Owner Last Name	46 - First Name	46 - Middle Initial	46 - Suffix	Date Of Birth
RAUTMANN	TODD	RONALD		12/22/1968

46 - Company Name

47 - Address Street & Number	47 - PO Box
2005A N 19TH ST	

48 - City	48 - State	48 - Zip Code	49 - Telephone Number
SHEBOYGAN	WI	53081	

Insurance

INS 02

63 - Liability Insurance Company	60
	☐ Policy Holder Same As Owner

61 - Policy Holder Last Name	61 - Policy Holder First Name

61 - Policy Holder Company

School Bus

BUS 02	Bus Travelling to/from ◯ To ◯ From	School Name	Body Make	Seating Capacity
	School District Contracted With			

Diagram and Narrative

105 - PHOTOS BY

DIAGRAM AND NARRATIVE

ON 1/28/2019, UNIT 1 WAS DRIVING SB ON N 19TH ST IN A CITY OF SHEBOYGAN PLOW TRUCK PLOWING THE ROAD. UNIT 1 STATES THAT AS HE TRIED AVOIDING UNIT 2 WHO WAS PARKED ON THE EAST SIDE OF THE ROAD, HE HIT THE WEST SIDEWALK. UPON DOING SO, HE OVER CORRECTED AND STRUCK UNIT 2 WITH HIS FRONT SHOVEL CAUSING DAMAGE TO THE LEFT SIDE MIRROR ON UNIT 2. PICTURES WERE TAKEN AND UPLOADED TO THE CASE. UNIT 1 NOTIFIED DPW AND REPORTED THE INCIDENT TO POLICE. -458

Officer Information

OFFICER INFORMATION

125 - Officer Last Name	125 - First Name	125 - Middle Initial	131 - Officer ID
PRAY	BRYAN	K	458

129 - Law Enforcement Agency No.	130 - Law Enforcement Agency Name
5961	SHEBOYGAN POLICE DEPARTMENT

126 - Law Enforcement Agency Address Street & Number
1315 N 23RD ST

127 - City	127 - State	127 - Zip Code	128 - Telephone Number
SHEBOYGAN	WI	53081	920-459-3333

132 - Date Notified	133 - Time Notified (Military Time)	134 - Time Arrived (Military Time)	135 - Date Of Report
01/28/2019	1739	1745	02/12/2019

Agency Accident Number	Police Number	19 - Special Study
	C19-01857	

18 - Agency Space
ID WI DL

SHEBOYGAN COLLISION CENTER
CHEVROLET - BUICK - GMC - CADILLAC INC
3400 SOUTH BUSINESS DRIVE -- SHEBOYGAN, WI 53081
OFFICE: 920-459-6855 FAX: 920-459-6286 TOLL FREE: 888-459-6855
FED I.D.# 83-0747810 EMAIL: COLLISIONCENTER@ SHEBOYGANAUTO.COM

***** FINAL BILL *****

RO# 876162

01/30/2019 11:35 AM
S1 02/02/2019 08:35 AM

Owner

Owner: TODD RAUTMANN
Address: 2005A N 19TH ST
City State Zip: SHEBOYGAN, WI 53081-2330

Home/Day: (920)803-8400
Home/Evening: (920)803-8400
FAX:

Control Information

Claim # : 49-7463-W2901
Loss Date/Time: 01/28/2019 06:00 AM
Deductible: $250.00

Insured Policy # :
Loss Type: Collision

Ins. Company: State Farm

Insured: TODD RAUTMANN
Address:

Home/Day: (920)803-8400
Home/Evening: (920)803-8400

Claim Rep: Express Team E
Address:

Work/Day: (855)341-8184

Inspection

Inspection Date: 01/30/2019 11:33 AM
Inspection Location: Sheboygan Chev/Buick/GMC/Cad
Address: 3400 SOUTH BUSINESS DRIVE

City State Zip: SHEBOYGAN, WI 53081
Email: collisioncenter@ sheboyganauto.com
Primary Impact: Left Side
Driveable: Yes

Inspection Type: Select Service
Contact:
Work/Day: (920)459-6855x
Work/Day: (888)459-6855x
FAX: (920)459-6286x

Secondary Impact:
Rental Assisted: No

Assigned Date/Time:
First Contact Date/Time: 01/30/2019 11:33 AM

Received Date/Time: 01/29/2019 07:01 AM
Appointment Date/Time: 01/29/2019 06:00 AM

Appraiser Name: Cliff Netzer
Address: 3400 South Business Drive

City State Zip: Sheboygan, WI 53081

Appraiser License # :
Work/Day: (920)459-6855x348
Work/Day: (888)459-6855x348
FAX: (920)459-6286

Orig Appraiser Name: Cliff Netzer
Address: 3400 South Business Drive

City State Zip: Sheboygan, WI 53081

Appraiser License # :
Work/Day: (920)459-6855x348
Work/Day: (888)459-6855x348
FAX: (920)459-6286

Repairer

Repairer: Sheboygan Chev/Buick/GMC/Cad
Address: 3400 SOUTH BUSINESS DRIVE

Contact:
Work/Day: (920)459-6855
Work/Day: (888)459-6855

City State Zip: SHEBOYGAN, WI 53081 **FAX:** (920)459-6286
Email: collisioncenter@ sheboyganauto.com

Repair Start Date/Time: 02/04/2019 **Vehicle Drop Off Date/Time:** 02/04/2019 10:00 AM
Repair Complete Date/Time: 02/04/2019 10:33 AM **Vehicle Pick Up Date/Time:** 02/04/2019 10:33 AM
Target Complete Date/Time: 02/04/2019 **Days To Repair:** 1

Vehicle

2016 Dodge Dart SE 4 DR Sedan
4cyl Gasoline 2.0
6-Speed Automatic

Lic.Plate: 502PUJ **Lic State:** WI
Lic Expire: **VIN:** 1C3CDFAA8GD624387
Prod Date: **Mileage:** 16,791
Veh Insp# : **Mileage Type:** Actual
Condition: **Code:** N0223A
Ext. Color: BLACK **Int. Color:** Black
Ext. Refinish: Two-Stage **Int. Refinish:** Two-Stage
Ext. Paint Code: DX8,PX8 **Int. Trim Code:** D7X9

Options - ***AudaVIN Information Received***

2nd Row Head Airbags	AM/FM CD Player	***Active Grille Shutter***
Air Conditioning	***Alarm System***	Analog Gauges
Anti-Lock Brakes	Armrest(s)	Automatic Dimming Mirror
Automatic Trans	Auxiliary Audio Input	Bucket Seats
Carpeting	Center Console	***Cruise Control***
Daytime Running Lights	Digital Clock	Dual Airbags
Electric Steering	Electronic Control Susp	Halogen Headlights
Head Airbags	Intermittent Wipers	***Keyless Entry System***
Knee Air Bags	LED Brakelights	Lighted Entry System
Limited Slp Differential	MP3 Decoder	Power Brakes
Power Door Locks	***Power Mirrors***	Power Windows
Pwr Accessory Outlet(s)	Rear Bench Seat	Rear Side Airbags
Rear Window Defroster	Rem Trunk-L/Gate Release	Side Airbags
Steel Wheels	***Strg Wheel Radio Control***	Tachometer
Theft Deterrent System	Tilt & Telescopic Steer	Tinted Glass
Tire Pressure Monitor	Traction Control System	***USB Audio Input(s)***
Velour/Cloth Seats	***Wireless Audio Streaming***	***Wireless Phone Connect***

AudaVIN options are listed in bold-italic fonts

Damages

Line	Op	Guide	MC	Description	MFR.Part No.	Price	ADJ%	B%	Hours	R
Front Doors										
1	EU	229		Mirror,Outer R/C LT	RECYCLED PART	$75.00*	+25.00		0.8	SM
2	L	229	13	Mirror,Outer R/C LT	Refinish				1.2	RF
					0.5 Surface					
					0.6 Two-stage setup					
					0.1 Two-stage					
Manual Entries										
3	SB	M60		Hazardous Waste Removal	Sublet Repair	$3.00*				SM
3	Items									

MC	Message
13	INCLUDES 0.6 HOURS FIRST PANEL TWO-STAGE ALLOWANCE

Estimate Total & Entries

Other Parts		$75.00	
Paint & Materials	1.2 Hours @ $38.00	$45.60	
Line Item Markup		$18.75	
Parts & Material Total			$139.35
Tax on Parts & Material	@ 5.500%		$7.66

Labor	Rate	Replace Hrs	Repair Hrs	Total Hrs	
Sheet Metal (SM)	$58.00	0.8		0.8	$46.40
Mech/Elec (ME)	$105.00				
Frame (FR)	$60.00				
Refinish (RF)	$58.00	1.2		1.2	$69.60

Labor Total	2.0 Hours		$116.00
Tax on Labor	@ 5.500%	$6.38	
Sublet Repairs		$3.00	
Tax on Sublet	@ 5.500%	$0.17	
Gross Total			**$272.56**
Less: Deductible			$250.00-
Net Total			**$22.56**
Less: Previous Net Total			$22.56-
Net Supplement Total (Final Bill)			**$0.00**

For more information regarding State Farm's promise of satisfaction relating to new non-original equipment manufacturer (non-OEM) and recycled parts, please visit: http://st8.fm/7X4 or QR code.

Register online to check the status of your claim and stay connected with State Farm®. To register, go to statefarm.com and select Check the Status of a Claim. If you are already registered, thank you!

Alternate Parts Y/00/00/00/00/00 CUM 00/00/00/00/00 Zip Code: 00000 Geo 00000
Rate Name Default

Audatex Estimating 8.0.643 S1 02/04/2019 10:34 AM REL 8.0.643 DT 01/01/2019 DB 02/01/2019
© 2019 Audatex North America, Inc.

0.7 HRS WERE ADDED TO THIS ESTIMATE BASED ON AUDATEX'S TWO-STAGE REFINISH FORMULA.

THIS IS NOT AN AUTHORIZATION TO REPAIR. ALL SUPPLEMENTS REQUIRE PRIOR APPROVAL BY A STATE FARM CLAIM REPRESENTATIVE.

THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF ONE OR MORE REPLACEMENT

PARTS SUPPLIED BY A SOURCE OTHER THAN THE MANUFACTURER OF YOUR MOTOR VEHICLE. WARRANTIES APPLICABLE TO THESE REPLACEMENT PARTS ARE PROVIDED BY THE MANUFACTURER OR DISTRIBUTOR OF THE REPLACEMENT PARTS RATHER THAN BY THE MANUFACTURER OF YOUR MOTOR VEHICLE.

Op Codes

* = User-Entered Value	^ = Labor Matches System Assigned Rates	E = New Part
NG = Replace NAGS	EC = ** NON-OEM PART	OE = Replace PXN OE Srpls
UE = Replace OE Surplus	ET = Partial Replace Labor	EP = ** NON-OEM PART
EU = RECYCLED PART	TE = Partial Replace Price	PM = REMAN/REBUILT PART
UM = REMAN/REBUILT PART	L = Refinish	PC = RECOND PART
UC = RECOND PART	TT = Two-Tone	SB = Sublet Repair
N = ADDITIONAL OPERATION	BR = Blend Refinish	I = Repair
IT = Partial Repair	CG = Chipguard	RI = R & I Assembly
P = Check	RP = RP-RELATED PRIOR	

Audatex a Solera company

This report contains proprietary information of Audatex and may not be disclosed to any third party (other than the insured, claimant and others on a need to know basis in order to effectuate the claims process) without Audatex's prior written consent.

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Solera

*** SUPPLEMENT RECONCILIATION ***

Supplement S1

Claim #: 49-7463-W2901
File #:
Insured: TODD RAUTMANN
Owner Name: TODD RAUTMANN
Appraiser Name: Cliff Netzer
Vehicle: 2016 Dodge Dart SE 4 DR Sedan

Insured Policy #:
Claim Rep: Express Team E
Inspection Date/Time: 01/30/2019 11:33 AM

Actual Supplement 1 Net Total **$0.00+**

Summary

	Net Total	Date	Time	Appraiser
Original Estimate	$22.56	01/29/2019	06:58 AM	Cliff Netzer
Supplement 1	$22.56	02/02/2019	08:35 AM	Cliff Netzer

Audatex a Solera company

This report contains proprietary information of Audatex and may not be disclosed to any third party (other than the insured, claimant and others on a need to know basis in order to effectuate the claims process) without Audatex's prior written consent.

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Solera

C denotes consolidated payment
E denotes EFT payment
P previously converted payment from CAT/CMR

Payment Number		Issued Date	Payee	Status	Amount	Auth ID
105409603K	E	02-04-2019	SHEBOYGAN CHEVROLET BUICK GMC CADILLAC, INC	Paid	$22.56	ECSAPY
			Grand Total:		$22.56	

Continued on Claim File Print - File History Information report

STATE FARM CONFIDENTIAL INFORMATION
Distribution on a Business Need to Know Basis Only

II

R. O. No. _____ - 19 - 20. By CITY CLERK. May 6, 2019.

Submitting a Summons and Complaint in the matter of Wells Fargo Bank, N.A. vs. Julie K. Hansen et al.

Finance+ Personnel

_____

CITY CLERK

APR 16 '19 PM 3:56

FILED
04-04-2019
Sheboygan County
Clerk of Circuit Court
2019CV000188
Honorable Rebecca L. Persick
Branch 4

STATE OF WISCONSIN CIRCUIT COURT SHEBOYGAN COUNTY

Wells Fargo Bank, N.A. vs. Julie K. Hansen et al

Electronic Filing Notice

Case No. 2019CV000188
Class Code: Foreclosure of Mortgage

CITY OF SHEBOYGAN, DEPARTMENT OF CITY DEVELOPMENT
807 CENTER AVE
SHEBOYGAN WI 53081-4462

Case number 2019CV000188 was electronically filed with/converted by the Sheboygan County Clerk of Circuit Court office. The electronic filing system is designed to allow for fast, reliable exchange of documents in court cases.

Parties who register as electronic parties can file, receive and view documents online through the court electronic filing website. A document filed electronically has the same legal effect as a document filed by traditional means. Electronic parties are responsible for serving non-electronic parties by traditional means.

You may also register as an electronic party by following the instructions found at **http://efiling.wicourts.gov/** and may withdraw as an electronic party at any time. There is a $ 20.00 fee to register as an electronic party.

If you are not represented by an attorney and would like to register as an electronic party, you will need to enter the following code on the eFiling website while opting in as an electronic party.

Pro Se opt-in code: 2c2077

Unless you register as an electronic party, you will be served with traditional paper documents by other parties and by the court. You must file and serve traditional paper documents.

Registration is available to attorneys, self-represented individuals, and filing agents who are authorized under Wis. Stat. 799.06(2). A user must register as an individual, not as a law firm, agency, corporation, or other group. Non-attorney individuals representing the interests of a business, such as garnishees, must file by traditional means or through an attorney or filing agent. More information about who may participate in electronic filing is found on the court website.

If you have questions regarding this notice, please contact the Clerk of Circuit Court at 920-459-3068.

Sheboygan County Circuit Court
Date: April 5, 2019

UNREDACTED

FILED
04-04-2019
Sheboygan County
Clerk of Circuit Court
2019CV000188
Honorable Rebecca L. Persick
Branch 4

STATE OF WISCONSIN CIRCUIT COURT SHEBOYGAN COUNTY

Wells Fargo Bank, N.A.
3476 Stateview Boulevard
Fort Mill, SC 29715

Plaintiff,

vs.

Julie K. Hansen
1404 Marie Ct
Sheboygan, WI 53081-2574

John Doe Hansen
1404 Marie Ct
Sheboygan, WI 53081-2574

City of Sheboygan, Department of City Development
807 Center Ave
Sheboygan, WI 53081-4462

Wisconsin Bank & Trust successor by merger to Community Bank & Trust
119 Junction Rd
Madison, WI 53717-2688

Defendants.

SUMMONS

Case Code 30404
(Foreclosure of Mortgage)
The amount claimed exceeds $10,000.00

THE STATE OF WISCONSIN

To each person named above as a defendant:

You are hereby notified that the plaintiff named above has filed a lawsuit or other legal action against you. The complaint, which is attached, states the nature and basis of the legal action.

Within 20 days of receiving this summons (60 days if you are the United States of America, 45 days if you are the State of Wisconsin or an insurance company), you must respond with a written answer, as that term is used in Chapter 802 of the Wisconsin Statutes, to the complaint. The court may reject or

disregard an answer that does not follow the requirements of the statutes. The answer must be sent or delivered to the court, whose address is set forth below, and to the plaintiff's attorney, at the address set forth below. You may have an attorney help or represent you.

If you do not provide a proper answer within 20 days (60 days if you are the United States of America, 45 days if you are the State of Wisconsin or an insurance company), the court may grant judgment against you for the award of money or other legal action requested in the complaint, and you may lose your right to object to anything that is or may be incorrect in the complaint. A judgment may be enforced as provided by law. A judgment awarding money may become a lien against any real estate you own now or in the future, and may also be enforced by garnishment or seizure of property.

Dated this 4th day of April, 2019.

Gray & Associates, L.L.P.
Attorneys for Plaintiff

By: _____
Ian J. Thomson
State Bar No. 1076280

16345 West Glendale Drive
New Berlin, WI 53151-2841
(414) 224-1987
081215F01

Address of Court:
Sheboygan County Courthouse
615 N. Sixth Street
Sheboygan, WI 53081-4612

Gray & Associates, L.L.P. is attempting to collect a debt and any information obtained will be used for that purpose. If you have previously received a discharge in a chapter 7 bankruptcy case, this communication should not be construed as an attempt to hold you personally liable for the debt.

FILED
04-04-2019
Sheboygan County
Clerk of Circuit Court
2019CV000188
Honorable Rebecca L. Persick
Branch 4

STATE OF WISCONSIN CIRCUIT COURT SHEBOYGAN COUNTY

Wells Fargo Bank, N.A.
3476 Stateview Boulevard
Fort Mill, SC 29715

Plaintiff,

vs.

Julie K. Hansen
1404 Marie Ct
Sheboygan, WI 53081-2574

John Doe Hansen
1404 Marie Ct
Sheboygan, WI 53081-2574

City of Sheboygan, Department of City Development
807 Center Ave
Sheboygan, WI 53081-4462

Wisconsin Bank & Trust successor by merger to Community Bank & Trust
119 Junction Rd
Madison, WI 53717-2688

Defendants.

COMPLAINT

Case Code 30404
(Foreclosure of Mortgage)
The amount claimed exceeds $10,000.00

Plaintiff, by its attorneys, Gray & Associates, L.L.P., pleads as follows:

1. The plaintiff is the current holder of a certain note and recorded mortgage on real estate located in this county, a true copy of the note is attached hereto as Exhibit A and is incorporated by reference. A true copy of the mortgage is attached hereto as Exhibit B and is incorporated by reference.

2. The mortgaged real estate is owned of record by Julie K. Hansen.

3. There has been a failure to make contractual payments as required, and there is now due and owing to plaintiff the principal sum of $35,613.57 together with interest from the 1st day of October,

2018.

4. The plaintiff has declared the indebtedness immediately due and payable by reason of the default in the payments and has directed that foreclosure proceedings be instituted.

5. The mortgaged premises is real estate which is 20 acres or less; with a one to four family residence thereon which is occupied as the homestead of the defendants; said premises cannot be sold in parcels without injury to the interests of the parties.

6. The mortgagors expressly agreed to the reduced redemption period provisions contained in Chapter 846 of the Wisconsin Statutes; the plaintiff hereby elects to proceed under Section 846.101(2)(b) with a six month period of redemption, thereby waiving judgment for any deficiency against every party who is personally liable for the debt, and to consent that the owner, unless he or she abandons the property, may remain in possession and be entitled to all rents and profits therefrom to the date of confirmation of the sale by the court.

7. No proceedings have been had at law or otherwise for the recovery of the sums secured by said note and mortgage except for the present action, and all conditions precedent to the commencement of this action are satisfied.

8. That the names of all defendants herein are set forth in the Lien Report annexed hereto and incorporated by reference; that the defendants have or claim to have an interest in the mortgaged premises, as more particularly set forth in the said Lien Report, but that said interests are subject and subordinate to the plaintiff's mortgage.

9. That John Doe Hansen has or may claim to have an interest in the subject encumbered property by virtue of being the present spouse of Julie K. Hansen and any such interest is subject and subordinate to the plaintiff's mortgage.

WHEREFORE, the plaintiff demands.

1. Judgment of foreclosure and sale of the mortgaged premises in accordance with the provisions of section 846.101(2)(b) of the Wisconsin Statutes, with plaintiff expressly waiving its right to obtain a deficiency judgment against any defendant in this action.

2. That the amounts due to the plaintiff for principal, interest, taxes, insurance, costs of suit and attorney fees be determined.

3. That the defendants, and all persons claiming under them be barred from all rights in said premises, except that right to redeem.

4. That the premises be sold for payment of the amount due to the plaintiff, together with interest, reasonable attorney fees and costs, costs of sale and any advances made for the benefit and preservation of the premises until confirmation of sale.

5. That the defendants and all persons claiming under them be enjoined from committing waste or doing any act that may impair the value of the mortgaged premises; and

That the plaintiff have such other and further judgment order or relief as may be just and equitable.

Dated this 4th day of April, 2019.

Gray & Associates, L.L.P.
Attorneys for Plaintiff

By: _____
Ian J. Thomson
State Bar No. 1076280

16345 West Glendale Drive
New Berlin, WI 53151-2841
(414) 224-1987

Gray & Associates, L.L.P. is attempting to collect a debt and any information obtained will be used for that purpose. If you have previously received a discharge in a chapter 7 bankruptcy case, this communication should not be construed as an attempt to hold you personally liable for the debt.

FILED
04-04-2019
Sheboygan County
Clerk of Circuit Court
2019CV000188
Honorable Rebecca L. Persick
Branch 4

NOTE

September 30th, 2004 [Date] | Sheboygan [City] | Wisconsin [State]

1404 MARIE CT
SHEBOYGAN, WI 53081
[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. $ 49,600.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is COMMUNITY BANK & TRUST

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 6.000 %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

Solely for the purpose of computing interest, a monthly payment received by the Note Holder within 30 days prior to or after the date it is due will be deemed to be paid on such due date.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1st day of each month beginning on November 01, 2004. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied to interest before Principal. If, on October 1, 2034, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at 604 N 8TH STREET SHEBOYGAN, WI 53082-1409 or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. $ 297.38

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

[redacted]

EXHIBIT A

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of FIFTEEN calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this

[redacted] Form 3200 1/01

-5N(WI) (0005) Page 2 of 3 Initials:

EXHIBIT A

Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Julie K Hansen 9-30-04 (Seal)
JULIE K HANSEN -Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

Pay to the order of
Without Recourse
WASHINGTON MUTUAL BANK, FA
By
LETA HUTCHINSON
ASSISTANT VICE PRESIDENT

[Sign Original Only]

PAY TO THE ORDER OF WASHINGTON MUTUAL BANK, FA WITHOUT RECOURSE.
COMMUNITY BANK & TRUST
BY: Deberah L Filipiak
DEBERAH L FILIPIAK, MTG UNDERWRITING OFFICER

[redacted]

EXHIBIT A

HAN

[redacted]

1747145

MORTGAGE

SHEBOYGAN COUNTY, WI
RECORDED ON
10/11/2004 09:52AM
DARLENE J. NAVIS
REGISTER OF DEEDS
RECORDING FEE: 39.00
TRANSFER FEE:
STAFF ID [redacted]
TRANS # [redacted]
OF PAGES: 15

DOCUMENT NUMBER

NAME & RETURN ADDRESS

SHEBOYGAN TITLE SERVICES
504 S 14TH ST
SHEBOYGAN, WI 53081

PARCEL IDENTIFIER NUMBER
59281 624620

[redacted]

[Space Above This Line For Recording Data]

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated September 30th, 2004 together with all Riders to this document.
(B) "Borrower" is JULIE K. HANSEN, A SINGLE PERSON

Borrower is the mortgagor under this Security Instrument.
(C) "Lender" is COMMUNITY BANK & TRUST

Lender is a Commercial Bank
organized and existing under the laws of WISCONSIN

[redacted]

EXHIBIT B

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Lender's address is 604 N 8TH STREET, SHEBOYGAN, WI 53082-1409

Lender is the mortgagee under this Security Instrument.
(D) "Note" means the promissory note signed by Borrower and dated September 30th, 2004 . The Note states that Borrower owes Lender FORTY NINE THOUSAND SIX HUNDRED AND 00/100 Dollars (U.S. $49,600.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than October 1, 2034 .
(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☐ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ 1-4 Family Rider
☐ VA Rider	☐ Biweekly Payment Rider	☐ Other(s) [specify]

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(K) "Escrow Items" means those items that are described in Section 3.
(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

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EXHIBIT B

(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender, with power of sale, the following described property located in the County of SHEBOYGAN :

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

LOT EIGHT (8), EDW. F. OEHLER'S SUBDIVISION TO THE CITY OF SHEBOYGAN, SHEBOYGAN COUNTY, WISCONSIN.

which currently has the address of 1404 MARIE CT

[Street]

SHEBOYGAN [City], Wisconsin 53081 [Zip Code]

("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this

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EXHIBIT B

Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts

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due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

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lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

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the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying Reasonable

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Attorneys' Fees (as defined in Section 25) to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

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(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

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12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

Initials: [redacted]

EXHIBIT B

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, Reasonable Attorneys' Fees (as defined in Section 25), property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

EXHIBIT B

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

Initials: [redacted]

EXHIBIT B

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, Reasonable Attorneys' Fees (as defined in Section 25) and costs of title evidence.

If Lender invokes the power of sale, Lender shall give notice of sale in the manner prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Lender shall publish the notice of sale, and the Property shall be sold in the manner prescribed by Applicable Law. Lender or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, Reasonable Attorneys' Fees (as defined in Section 25); (b) to all sums secured by this Security Instrument; and (c) any excess to the clerk of the circuit court of the county in which the sale is held.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Accelerated Redemption Periods. If the Property is a one- to four-family residence that is owner-occupied at the commencement of a foreclosure, a farm, a church or owned by a tax exempt charitable organization, Borrower agrees to the provisions of Section 846.101 of the Wisconsin Statutes, and as the same may be amended or renumbered from time to time, permitting Lender, upon waiving the right to judgment for deficiency, to hold the foreclosure sale of real estate of 20 acres or less six months after a foreclosure judgment is entered. If the Property is other than a one- to four-family residence that is owner-occupied at the commencement of a foreclosure, a farm, a church, or a tax-exempt charitable organization, Borrower agrees to the provisions of Section 846.103 of the Wisconsin Statutes, and as the same may be amended or renumbered from time to time, permitting Lender, upon waiving the right to judgment for deficiency, to hold the foreclosure sale of real estate three months after a foreclosure judgment is entered.

25. Attorneys' Fees. If this Security Instrument is subject to Chapter 428 of the Wisconsin Statutes, "Reasonable Attorneys' Fees" shall mean only those attorneys' fees allowed by that Chapter.

EXHIBIT B

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____ _____ (Seal)
JULIE K. HANSEN -Borrower

_____ _____ (Seal)
-Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

EXHIBIT B

STATE OF WISCONSIN, SHEBOYGAN County ss:
The foregoing instrument was acknowledged before me this September 30, 2004
by JULIE K HANSEN

My Commission Expires: 12/12/04

Patricia E Foley
Notary Public, State of Wisconsin

This instrument was prepared by

Lisa Kapellen
604 N 8TH STREET
SHEBOYGAN, WI 53082-1409

[redacted]

EXHIBIT B

Commitment No [redacted]

10. Outstanding sewer and water charges, if any.

11. Judgments and liens, if any, against the proposed insured.

12. Rights of the spouse of the proposed insured, if married and if the property is to be homestead or marital property.

13. Federal Tax Liens, if any, against the spouse of the proposed insured, if married, and if the property is to be homestead or marital property.

14. Rights of the spouse of JULIE K. HANSEN, if married, and if the property is homestead or marital property.

15. Federal Tax Liens, if any, against the spouse of JULIE K. HANSEN, if married, and if the property is homestead or marital property.

16. Minerals, Mineral rights, drainage rights, easements, restrictions, covenants, party wall agreements, and conditions of record, any assessments arising from membership in and/or use of area subject to assessment by homeowner's association or similar body, including but not limited to any of the foregoing cited in this commitment/policy.

17. Public or private rights, if any, in such portion of the insured premises as may be used, laid out, platted, dedicated or reserved in any manner for street and/or alley and/or highway purposes and/or lying below the ordinary high water mark of any adjacent body of water or stream.

18. A Mortgage from Julie K. Hansen, a single person to Community Bank & Trust in the original amount of $49,600.00.
Dated: September 30, 2004 Recorded: October 11, 2004
Document No: 1747145

The foregoing mortgage was last assigned to Washington Mutual Bank, FA, by assignment.
Recorded: October 11, 2004
Document No: 1747146

19. A Mortgage from Julie K. Hansen to City of Sheboygan, Department of City Development, 807 Center Avenue, Sheboygan, WI in the original amount of $1,490.00.
Dated: August 2, 2005 Recorded: August 11, 2005
Document No: 1773600

20. A Mortgage from Julie K. Hansen, a single person to Community Bank & Trust, 604 N. 8th Street, Sheboygan, WI in the original amount of $10,000.00.
Dated: September 23, 2005 Recorded: October 7, 2005
Document No: 1778937

21. Judgment Case: 18CV653
Docketed: January 16, 2019
Debtor: Casual Elegance Styling Salon LLC, AND Julie K. Hansen
Creditor: Wisconsin Bank & Trust, 655 South Taylor Drive, Sheboygan, WI
Amount: $61,277.03
Attorney: Richard Bradley Hahn

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LIEN REPORT

THIS DOCUMENT WAS LEGALLY SERVED ON

4 , 16 , 19 AT 3 : 55 AM (PM)

BY: Shawn Conrad

CREAMCITY
PROCESS
CREAMCITYPROCESS.COM

Failure to make this endorsement does not invalidate service per Wisconsin §801.10(2)

II

R. O. No. _____ - 19 - 20. By CITY CLERK. May 6, 2019.

Submitting a claim from Denise Kelly for alleged damages to her vehicle when it struck a pot hole on North Avenue.

Finance Personnel

_____

CITY CLERK

DATE RECEIVED 4-22-19 RECEIVED BY NKC

CLAIM NO. 2-19

APR 22 '19 PM12:15

CITY OF SHEBOYGAN NOTICE OF DAMAGE OR INJURY

INSTRUCTIONS: TYPE OR PRINT IN BLACK INK

1. Notice of death, injury to persons or to property must be filed not later than 120 days after the occurrence.
2. Attach and sign additional supportive sheets, if necessary.
3. This notice form must be signed and filed with the Office of the City Clerk.
4. TWO ESTIMATES MUST BE ATTACHED IF YOU ARE CLAIMING DAMAGE TO A VEHICLE.

1. Name of Claimant: Denise Kelly
2. Home address of Claimant: 2519 N 36th Place Sheboygan WI 53083
3. Home phone number: 920 254 2273
4. Business address and phone number of Claimant: NA
5. When did damage or injury occur? (date, time of day) 3/16/19 12 pm noon
6. Where did damage or injury occur? (give full description) North Ave right before calumet intercepts
7. How did damage or injury occur? (give full description) pot hole that was running across entire road. Hole was almost as deep as a soda can. Then it had jagged rock in it
8. If the basis of liability is alleged to be an act or omission of a City officer or employee, complete the following:

   (a) Name of such officer or employee, if known: _____

   (b) Claimant's statement of the basis of such liability: City knew about it because immediately when my tire went flat - 2 people from the house came out & said they reported it numerous times. When I called city - they cut me off when I was telling them & said "I know that one".
9. If the basis of liability is alleged to be a dangerous condition of public property,

· complete the following:

(a) Public property alleged to be dangerous: North Ave

(b) Claimant's statement of basis for such liability: Dangerous driving condition

10. Give a description of the injury, property damage or loss, so far as is known at this time. (If there were no injuries, state "NO INJURIES").

I got new tires on 5/23/18 at 31,452 miles. Tire immediate blew once I hit pot hole less than one year later. They were $240.54 tires each. not cheap tires.

11. Name and address of any other person injured:

NA

12. Damage estimate: (You are not bound by the amounts provided here.)

Auto: $ 332.40 Tires + car was out of alignment

Property: $

Personal injury: $

Other: (Specify below $

TOTAL $ 332.40

Damaged vehicle (if applicable)

Make: Lincoln Model: MKZ Year: 2015 Mileage: 37438

Names and addresses of witnesses, doctors and hospitals:

michelle Kelly 401 Gillette Street Apt 304 LaCrosse WI 54603

Andrew Writz (same as above)

FOR ALL ACCIDENT NOTICES, COMPLETE THE FOLLOWING DIAGRAM IN DETAIL. BE SURE TO INCLUDE NAMES OF ALL STREETS, HOUSE NUMBERS, LOCATION OF VEHICLES, INDICATING WHICH IS CITY VEHICLE (IF APPLICABLE), WHICH IS CLAIMANT VEHICLE, LOCATION OF INDIVIDUALS, ETC.

NOTE: If diagrams below do not fit the situation, attach proper diagram and sign.

NA

SIGNATURE OF CLAIMANT DATE 3/30/19

BY SIGNING THIS I ACKNOWLEDGE I HAVE READ AND UNDERSTAND THE INSTRUCTIONS

DATE RECEIVED _____ RECEIVED BY _____

CLAIM NO. _____

CLAIM

Claimant's Name: _____ Auto $_____

Claimant's Address: _____ Property $_____

_____ Personal Injury $_____

Claimant's Phone No. _____ Other (Specify below) $_____

TOTAL $_____

PLEASE INCLUDE COPIES OF ALL BILLS, INVOICES, ESTIMATES, ETC.

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM.
(WISCONSIN STATUTES 943.395)

The undersigned hereby makes a claim against the City of Sheboygan arising out of the circumstances described in the Notice of Damage or Injury. The claim is for relief in the form of money damages in the total amount of $ 332.40 .

SIGNED DATE: 3/30/19

ADDRESS: 2519 N. 36th Place

Sheboygan, WI 53083

BY SIGNING THIS I ACKNOWLEDGE I HAVE READ AND UNDERSTAND THE INSTRUCTIONS.

MAIL TO: CLERK'S OFFICE
828 CENTER AVE #100
SHEBOYGAN WI 53081

DICK BRANTMEIER

Ford LINCOLN KIA

PAID
MAR 19 2019
BY

33379 KEL

DENISE R. KELLY 2519 N 36TH PL SHEBOYGAN, WI 53083 drkelly@charter.net	VEHICLE ID	MILES IN	MILES OUT	DATE/TIME IN	DATE OUT	INVOICE NO.
	3LN6L2LU6FR623882	37438	37438	03/18/19 07:05	03/19/19	33379

VEHICLE DESCRIPTION	TAG NO.	STATUS
2015 LINCOLN MKZ HYBRID (GRAY)	00732	COMPLETE

CONTROL NO.	LICENSE PLATE NO.	CUST. LABOR RATE	PROD. DATE	IN-SERV DATE	DELIV. DATE	DELIV. MILES	TERMS
046963					05/27/17	20611	Cash

HOME PHONE	WORK PHONE	CELL PHONE	STOCK NO.	SERV. ADV.	RO COMMENT
(920) 803-9888	(920) 254-2273	(920) 287-1663	P3413	DANIEL HUNDT (621)	

MOTOR VEHICLE REPAIR TRADE PRACTICES ARE REGULATED BY CHAPTER TCP132, WIS.ADM.CODE, ADMINISTERED BY THE BUREAU OF CONSUMER PROTECTION,WISCONSIN DEPT.OF AGRICULTURE, TRADE AND CONSUMER PROTECTION, P.O BOX 8911 MADISON, WI 53708-8911

Line	Op-Code	Fail Code	Tech	Hours	Type	Amount
A	00033		A61		Customer	$14.95

Concern MOUNT BALANCE 1 TIRE;MOUNT AND BALANCE 1 TIRE.
Correction PERFORM SERVICE. MOUNT AND BALANCE ONE TIRE. TORGUE WHEELS TO SPEC.

Part Number	Description	Qty.	Unit Price	Ext. Price
9OO5 2339400	245/40R19	1	$192.00	$192.00
			Parts Total...	$192.00

Misc. Code	Description	Qty.	Unit Price	Ext. Price
OTH	WHEEL WEIGHTS	1.0	$4.00	$4.00
MB5	TIRE SEALER/CLEANER/MISC	1.0	$9.95	$9.95
MB1	1 TIRE DISPOSAL FEE	1.0	$5.00	$5.00
			Misc Total...	$18.95
			Line Total...	$225.90

B	02099P		A61		Customer	$0.00

Concern FORD/LINCOLN MULTI POINT INSP;PERFORM MULTI-POINT INSPECTION

Line Total... $0.00

C	00032		A61		Customer	$89.95

Concern 4 WHEEL ALIGNMENT;PERFORM 4 WHEEL ALIGNMENT. SET FRONT & REAR CASTER & CAMBER, ADJUST FRONT & REAR TOE IN.
Cause 4 wheel aligned
Correction PERFORM SERVICE

$332.40

Line Total... $89.95

Authorized Estimates

Date/Time	Amount	Authorized By	Authorization Method	Phone/Email
03/18/2019 07:05	$137.49		Initial Estimate	

DENISE R. KELLY 2519 N 36TH PL SHEBOYGAN, WI 53083 drkelly@charter.net	VEHICLE ID	MILES IN	MILES OUT	DATE/TIME IN	DATE OUT	INVOICE NO.
	3LN6L2LU6FR623882	37438	37438	03/18/19 07:05	03/19/19	**33379**

VEHICLE DESCRIPTION	TAG NO.	STATUS
2015 LINCOLN MKZ HYBRID (GRAY)	**00732**	**COMPLETE**

CONTROL NO.	LICENSE PLATE NO.	CUST. LABOR RATE	PROD. DATE	IN-SERV DATE	DELIV. DATE	DELIV. MILES	TERMS
046963					05/27/17	20611	Cash

HOME PHONE	WORK PHONE	CELL PHONE	STOCK NO.	SERV. ADV.	RO COMMENT
(920) 803-9888	(920) 254-2273	(920) 287-1663	P3413	DANIEL HUNDT (621)	

Warranty Claim Type: F Authorization Code: Service Cont No:

Totals

	Amount
Labor	$104.90
Parts	$192.00
SalesTax	$16.55
Misc.Chg	$18.95
Total Amount Due	$332.40
TOTAL CREDIT CARD	$332.40

Tow truck tried to fill tire + it was impossible. Hole was size of a quarter

Had to replace front driver side tire. Immediately went flat.

STATEMENT OF DISCLAIMER
The factory warranty constitutes all of the warranties with respect to the sale of this item/items. The Seller hereby expressly disclaims all warranties either express or implied, including any implied warranty of merchantability or fitness for a particular purpose. Seller neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of this item/items.

CUSTOMER SIGNATURE

On behalf of servicing dealer, I hereby certify that the information contained hereon is accurate unless otherwise shown. Warranty services described were performed at no charge to owner. There was no indication from the appearance of the vehicle or otherwise, that any part repaired or replaced under this claim had been connected in any way with any accident, negligence, or misuse. Records supporting this claim are available for (1) year from the date of payment notifi- cation at the servicing dealer for inspection by manufacturer's representative.

(SIGNED) DEALER, GENERAL MANAGER OR AUTHORIZED PERSON (DATE)

DICK BRANTMEIER

Ford LINCOLN KIA

DENISE R. KELLY
2519 N 36TH PL
SHEBOYGAN, WI 53083
drkelly@charter.net

VEHICLE ID	MILES IN	MILES OUT	DATE/TIME IN	DATE OUT	INVOICE NO.
3LN6L2LU6FR623882	31452	31452	05/23/18 12:38	05/23/18	23730

VEHICLE DESCRIPTION	TAG NO.	STATUS
2015 LINCOLN MKZ HYBRID (GRAY)	00281	COMPLETE

CONTROL NO.	LICENSE PLATE NO.	CUST. LABOR RATE	PROD. DATE	IN-SERV DATE	DELIV. DATE	DELIV. MILES	TERMS
046963					05/27/17	20611	Cash

HOME PHONE	WORK PHONE	CELL PHONE	STOCK NO.	SERV. ADV.	RO COMMENT
(920) 803-9888	(920) 254-2273	(920) 287-1663	P3413	MIKE MICOLICZYK (624)	

MOTOR VEHICLE REPAIR TRADE PRACTICES ARE REGULATED BY CHAPTER TCP132, WIS.ADM.CODE, ADMINISTERED BY THE BUREAU OF CONSUMER PROTECTION,WISCONSIN DEPT.OF AGRICULTURE, TRADE AND CONSUMER PROTECTION, P.O BOX 8911 MADISON, WI 53708-8911

Line	Op-Code	Fail Code	Tech	Hours	Type	Amount
A *	00036		A78		Customer	$59.95

Concern MOUNT BALANCE 4 TIRE;MOUNT AND BALANCE 4 TIRES.
Correction PERFORM SERVICE

Part Number	Description	Qty.	Unit Price	Ext. Price
9OO5 2339400	245/40R19	4	$240.54	$962.16
			Parts Total...	$962.16

Misc. Code	Description	Qty.	Unit Price	Ext. Price
OTH	WHEEL WEIGHTS	1.0	$3.00	$3.00
OTH	PARTS/TIRE DISCOUNT	1.0	-$218.16	-$218.16
			Misc Total...	-$215.16
			Line Total...	$806.95

Line	Op-Code	Fail Code	Tech	Hours	Type	Amount
B *	00032		A78		Customer	$89.95

Concern 4 WHEEL ALIGNMENT;PERFORM 4 WHEEL ALIGNMENT. SET FRONT & REAR CASTER & CAMBER, ADJUST FRONT & REAR TOE IN.
Correction PERFORM SERVICE

Line Total... $89.95

Authorized Estimates

Date/Time	Amount	Authorized By	Authorization Method	Phone
05/23/2018 12:38	$160.18		Initial Estimate	

Warranty Claim Type: F Authorization Code: Service C

$966.78

less than a year ago - paid $966.78 for 4 new tires.

DENISE R. KELLY	VEHICLE ID	MILES IN	MILES OUT	DATE/TIME IN	DATE OUT	INVOICE
2519 N 36TH PL	3LN6L2LU6FR623882	31452	31452	05/23/18 12:38	05/23/18	237
SHEBOYGAN, WI 53083	VEHICLE DESCRIPTION			TAG NO.		STATUS
drkelly@charter.net	2015 LINCOLN MKZ HYBRID (GRAY)			00281		COMPLETE

CONTROL NO.	LICENSE PLATE NO.	CUST. LABOR RATE	PROD. DATE	IN SERV DATE	DELIV. DATE	DELIV. MILES	TERMS
046963					05/27/17	20611	Cash

HOME PHONE	WORK PHONE	CELL PHONE	STOCK NO.	SERV. ADV.	RO COMMENT
(920) 803-9888	(920) 254-2273	(920) 287-1663	P3413	MIKE MICOLICZYK (624)	

Customer Totals

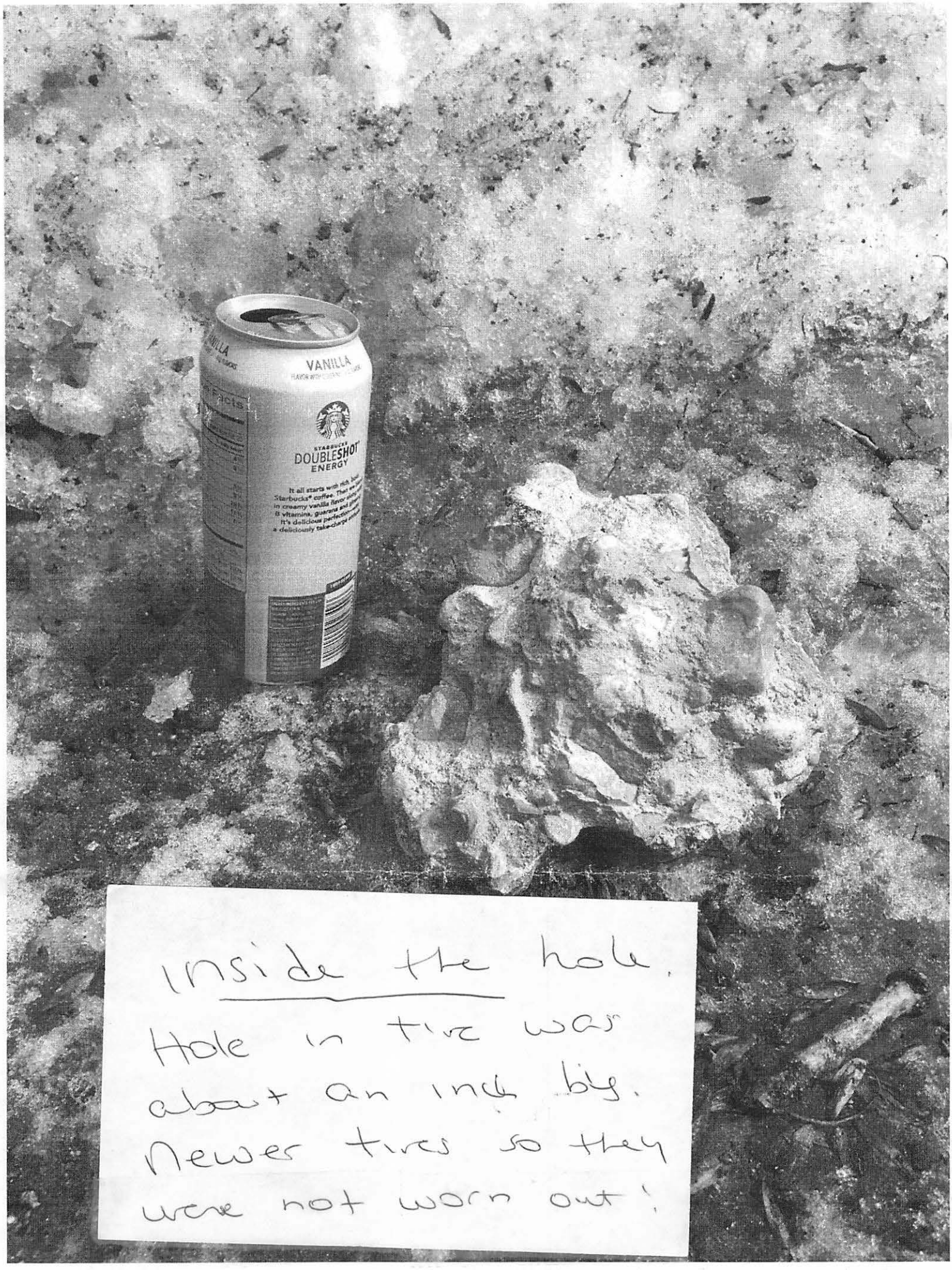
Charge Description	Amount
Labor	$149.90
Parts	$962.16
SUPPLIES,DISP	$19.48
SalesTax	$50.40
Misc.Chg	-$215.16
Total Amount Due	$966.78
TOTAL CREDIT CARD	$966.78

STATEMENT OF DISCLAIMER
The factory warranty constitutes all of the warranties with respect to the sale of this item/items. The Seller hereby expressly disclaims all warranties either express or implied, including any implied warranty of merchantability or fitness for a particular purpose. Seller neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of this item/items.

CUSTOMER SIGNATURE

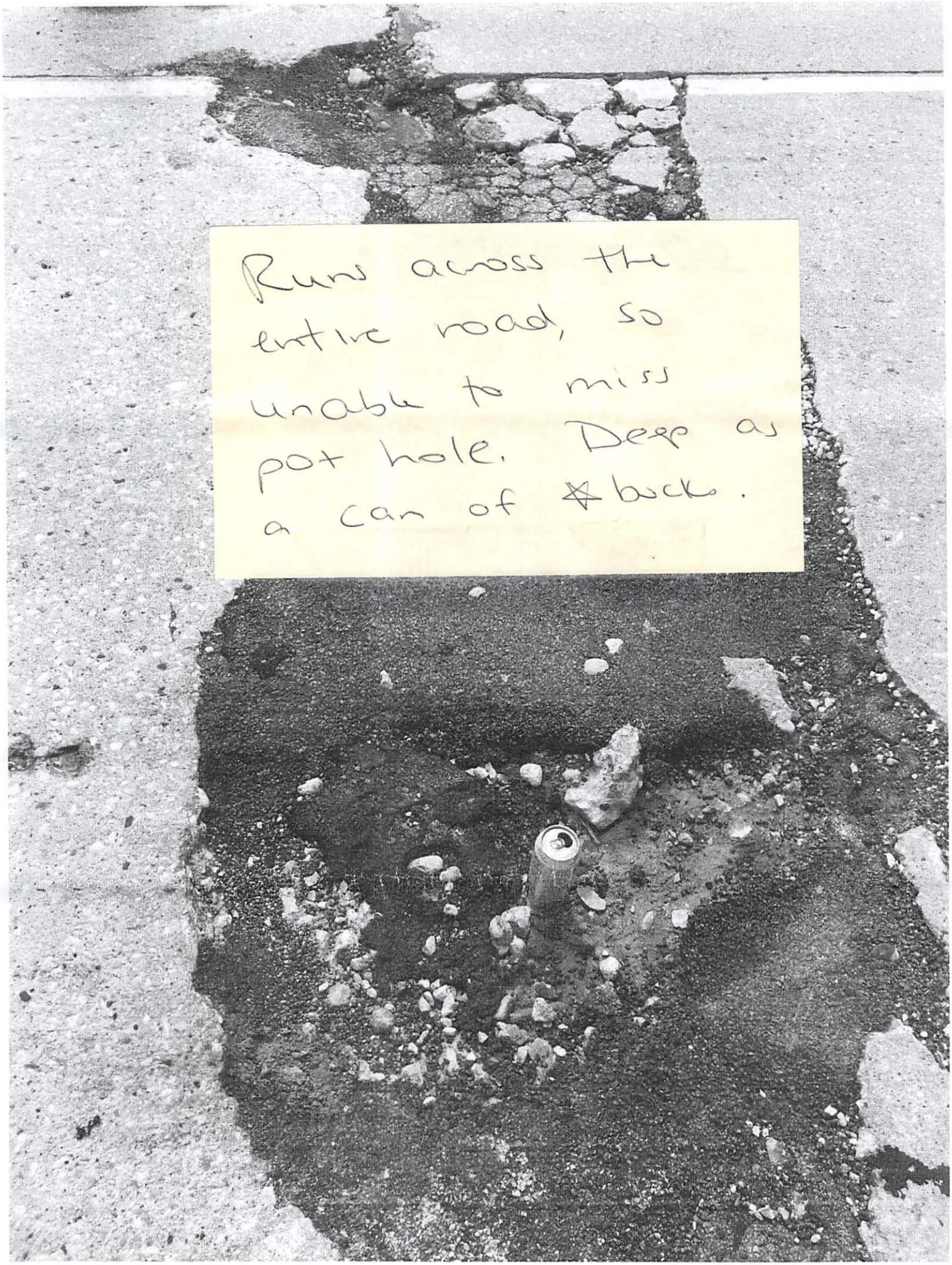
On behalf of servicing dealer, I hereby certify that the information contained hereon is accurate unless otherwise show Warranty services described were performed at no charge to own There was no indication from the appearance of the vehicle or otherwise, that any part repaired or replaced under this claim been connected in any way with any accident, negligence, or mi Records supporting this claim are available for (1) year from date of payment notifi- cation at the servicing dealer for inspection by manufacturer's representative.

(SIGNED) DEALER, GENERAL MANAGER OR AUTHORIZED PERSON (DAT



Inside the hole.

Hole in tire was about an inch big. Newer tires so they were not worn out!


Runs across the entire road, so unable to miss pot hole. Deep as a can of ✱ buck.

II

R. O. No. _____ - 19 - 20. By CHIEF OF POLICE CHRISTOPHER DOMAGALSKI.
May 6, 2019.

Pursuant to section 54-65 of the Municipal Code, I herewith submit my quarterly report showing the Benchmark Measurements for my department for the period commencing January 1, 2019 and ending March 31, 2019.

Patrol and Investigations	2017 Actual	Y-T-D 03/31/18	2018 Actual	Y-T-D 03/31/19	2019 Goal
Homicide	0	0	0	0	0
Rape	24	10	21	9	20
Robbery	11	4	11	2	15
Aggravated Assault	85	24	128	28	100
Violent Crime Total	120	38	160	39	125
Burglary	91	18	89	15	100
Theft	702	141	703	148	900
Motor Vehicle Theft	32	1	25	3	30
Arson	12	0	8	0	5
Property Crime Total	837	160	825	166	1050
Percent of Offenses Cleared	46%	73%	52%	75%	70%
Value of Property Stolen	$554,070	$70,595	$485,282	$35,965	$500,00
Value of Property Recovered	$184,216	$33,896	$179,946	$74,084	$200,00
Percent of Stolen Recovered	33%	48%	37%	206%	40%
Accident Investigations	1,736	447	1,677	467	1,50
Traffic Stops	6,157	1,464	5,270	1,175	No
Traffic Arrests	4,669	1,145	4,509	931	No
Other Arrests	3,006	832	3,406	891	No
Speed Trailer Deployments	7	3	17	1	20
HVEE Deployments	6	2	14	3	12
Parking Tickets Issued	10,476	4,136	9,032	3,841	10,00
Bicycles Recovered	139	4	158	14	150
Involuntary Commitments	161	48	121	30	No Goal
Administration					
District Attorney Request for Digital Evidence	303	284	1,321	329	2,750
Open Records Requests	3,778	1,029	4,804	1,433	4,000
Nixle Messages Sent	263	65	283	74	250
Press Releases	25	11	41	3	50
Tweets	298	82	236	64	350
Facebook likes	8,045	8,760	10,042	10,800	11,50
Reported Crime Maps	103	25	89	17	104
Crime Comparison Reports	44	13	36	6	26

_____

CHIEF OF POLICE

LHPS.

III

Res. No. _____ - 19 - 20. By Alderperson Wolf. May 6, 2019.

A RESOLUTION officially recognizing the Memorial Neighborhood Association.

WHEREAS, the Mayor and Common Council of the City of Sheboygan, along with its staff and citizens, recognize the importance of developing and maintaining healthy neighborhoods throughout the community,

WHEREAS, the City of Sheboygan values citizen involvement and wishes to reach out to all segments of the community by supporting the formation of effective neighborhood associations.

WHEREAS, the mission statement is to enhance the livability of our neighborhood, encourage communication, develop cooperation and build relationships among our residents as we maintain and promote the spirit of awareness and security.

WHEREAS, the primary goals of the Memorial Neighborhood Association are to:

- Promote neighborliness, cooperation and goodwill among the members of our neighborhood.
- Facilitate neighborhood conversation and consensus on important topics and to provide a neighborhood voice.
- Hold meetings to serve as a forum for neighbors to gather, to communicate with each other and to communicate with various city departments.
- Protect property values by establishing a better awareness of proper maintenance issues throughout the neighborhood.
- Build the interest of residents in the welfare of the neighborhood.
- Encourage the residents to be the "eyes and ears" of our neighborhood, reporting criminal activity and thus reducing crime.

WHEREAS, the Memorial Neighborhood Association will serve residents of the City of Sheboygan in the neighborhood bounded by the south side of North Avenue on the north, north side of Geele Avenue on the south, from the lake on the east to the east side of North 8th Street on the west.

WHEREAS, the Memorial Neighborhood Association shall become a member of the Mayor's Neighborhood Leadership Cabinet (MNLC) and be eligible to apply for grant funds through grant programs offered by the MNLC.

NOW, THEREFORE, BE IT RESOLVED that the City of Sheboygan, whose Mayor and Common Council are herein assembled, officially recognizes the Memorial Neighborhood Association.

Laup
Over

BE IT FURTHER RESOLVED that the Mayor, Common Council and staff of the City of Sheboygan hereby pledge their support and cooperation in addressing the needs of the citizens of the neighborhood in particular and the community in general.

_____

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

III

Res. No. _____ - 19 - 20. By Alderpersons Wolf and Donohue. May 6, 2019.

A RESOLUTION authorizing the appropriate City officials to execute the Creation and Grant of Covenants by the City of Sheboygan to the United States Army Corps of Engineers regarding Outlot 1 in the Sheboygan Business Center.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Creation and Grant of Covenants, a copy of which is attached hereto and incorporated herein.

Layover

_____

_____

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

CREATION AND GRANT OF COVENANTS

This GRANT OF THESE COVENANTS is made by the City of Sheboygan, (hereinafter referred to collectively as the "Covenantor") to the St. Paul District of the United States Army Corps of Engineers, (hereinafter referred to as "Government").

WITNESS THAT:

WHEREAS, the Covenantor is the owner in fee of certain real property located in the City of *Sheboygan Business Center*, County of Sheboygan, in the State of Wisconsin, described more particularly as follows, and referred to herein as the "Conservancy Area":

> OUTLOT 1
> Sheboygan Business Center
> See Certified Survey Map recorded in Volume 28, Pages 209 to 211, document number 2052767

WHEREAS, the Covenantor desires and intends that the natural elements and the ecological and aesthetic values of the Conservancy Area be maintained and improved in accordance with the terms and conditions of these Covenants; and

WHEREAS, the Covenantor and Government both desire, intend and have the common purpose of conserving and preserving in perpetuity the Conservancy Area in a relatively natural condition by placing restrictions on the use of the Conservancy Area and by assigning from the Covenantor to the Government, by the establishment of these Covenants, affirmative rights to ensure the preservation of the natural elements and values of the Conservancy Area; and

WHEREAS, the Covenantor has received Department of the Army permit number 1990-191-50 or other valuable consideration for the making of these Covenants.

NOW THEREFORE, the Covenantor, for valuable consideration received, does hereby establish, give and assign to the Government an assignable right to enforce the following restrictions against the Covenantor, its successors and assigns if any; any third party holding, or professing to hold, any legal or equitable title to the Conservancy Area; or any trespasser or interloper committing any act on or near the premises inconsistent with these covenants:

a. The right of the Government to enforce by proceedings at law or in equity the Covenants hereinafter set forth. The right shall include but not be limited to, the right to bring an action in any court of competent jurisdiction to enforce the terms of these Covenants, to require the restoration of this property to its natural condition or to enjoin non-compliance by appropriate injunctive relief. The Government does not waive or forfeit the right to take action as may be necessary to ensure compliance with terms of these Covenants by any prior failure to act. Nothing herein shall be construed to entitle the Government to institute any enforcement action against the Covenantor for any changes to the Conservancy Area due to causes beyond the Covenantor's control and without the Covenantor's fault or negligence (such as changes caused by fire, flood, storm, civil or military authorities undertaking emergency action or unauthorized wrongful acts of third parties).

b. The right of the Government, its contractors, agents and invitees, to enter the Conservancy Area, in a reasonable manner and at reasonable times, for the purpose of inspecting the Conservancy Area to determine compliance with these Covenants.

AND IN FURTHERANCE of the foregoing affirmative rights, the Covenantor makes the following covenants on behalf of itself and its heirs, successors and assigns, which covenants shall run with and bind the Conservancy Area in perpetuity:

COVENANTS

a. USES. There shall be no commercial, industrial or residential activity undertaken or allowed within the Conservancy Area.

b. BUILDINGS AND STRUCTURES. There shall be no buildings, dwellings, barns, roads, advertising signs, billboards or other structures built or placed in the Conservancy Area.

c. TOPOGRAPHY. There shall be no dredging, filling, excavating, mining, drilling or removal of any topsoil, sand, gravel, rock, minerals or other materials. There shall be no plowing or any other activity that would alter the topography of the Conservancy Area.

d. DUMPING/DISPOSAL. There shall be no dumping of any waste, trash, ashes, garbage or other material that is unsightly, offensive or incompatible with the natural character of the Conservancy Area.

e. WATER. The hydrology of the Conservancy Area will not be altered in any way or by any means including pumping, draining, diking, impounding or diverting surface or ground water within the Conservancy Area.

f. AGRICULTURAL USES. No plowing, tilling, cultivating, planting, timbering, or other agricultural activities may take place within the Conservancy Area. The release or pasturing of livestock or other domestic or non-native animal shall not be allowed within the Conservancy Area.

g. COMPLIANCE WITH LAW. The Covenantor is responsible for compliance with all federal, state and local laws governing the safety and maintenance of the property, including the control of noxious weeds within the Conservancy Area.

h. MOTORIZED EQUIPMENT. There shall be no operation of any motorized watercraft, vehicle, or equipment within the Conservancy Area, except for monitoring and maintenance activities.

i. VEGETATION. Except in conjunction with the authorized uses set forth in paragraph g. above, there shall be no removal, cutting, mowing or alteration of any vegetation or change in the natural habitat in any manner, except for planting and maintenance activities.

NOTWITHSTANDING the foregoing restrictions, the Covenantor may construct and maintain any project features or mitigation features expressly required by the *2017 Wetland Mitigation Landscape Plan*, dated March 31, 2017, with revision 1, dated March 1, 2018; and any modifications thereto approved in writing by the Government.

RESERVED RIGHTS

These covenants do not convey any ownership interest in the Conservancy Area to the Government nor require the Covenantor to allow the general public to enter upon or use the Conservancy Area.

The Covenantor and Covenantor's invitees may hunt, trap, and fish in the Conservancy Area so long as they comply with the terms and conditions of these Covenants and all federal, state and local game and fishery regulations.

Nothing herein shall be construed as limiting the right of the Covenantor to lease, sell, give or otherwise convey the Conservancy Area, or any portion or portions thereof, provided that the conveyance is subject to the terms of these Covenants.

GENERAL PROVISIONS

These Covenants shall run with and burden the Conservancy Area in perpetuity and shall bind the Covenantor and Covenantor's heirs, successors and assigns. These Covenants are fully valid and enforceable by any assignee of the Government, whether assigned in whole or in part. Said assignment may be by operation of law or by written notice of assignment to the Covenantor.

The Covenantor warrants that it owns the Conservancy Area in fee simple, and that Covenantor either owns all property interests in the Conservancy Area which may be impaired by the granting of these Covenants or that there are no outstanding mortgages, tax liens, encumbrances, or other interests in the Conservancy Area which have not been expressly subordinated to these Covenants by signing below. If it is determined at any time that there is any party who may have a property interest in the Conservancy Area that is superior to these Covenants, then the Covenantor shall immediately obtain and record a consent and subordination agreement signed by the other party. Acceptance of these Covenants does not release the Covenantor from the obligation to obtain and record a consent and subordination agreement signed by any party who may have a property interest in the Conservancy Area that is superior to these Covenants, even if such interest was of record at time of acceptance.

The Covenantor agrees to pay any and all real property taxes and assessments levied by competent authority on the Conservancy Area, if any.

The Covenantor agrees that the terms, conditions, covenants and restrictions set forth in this instrument will be inserted in any subsequent conveyance of any interest in said property. The Covenantor agrees to notify the Government of any such conveyance in writing and by certified mail at least 60 days prior to the conveyance.

The Covenantor agrees to notify the Government at least 60 days prior to the establishment of any other legal claims over the Conservancy Area. The Government may prohibit the establishment of legal claims that are incompatible with the purposes and covenants stated herein.

As the Covenantor received a Department of the Army permit or other valuable consideration for the making of these Covenants, these Covenants may only be modified or amended by a properly recorded written instrument executed by the Covenantor, with the written consent of the St. Paul District, U.S. Army Corps of Engineers, or other Federal agency authorized by law to enforce Section 404 of the Clean Water Act.

The terms "Covenantor" and "Government" as used herein shall be deemed to include, respectively, the Covenantor and its heirs, successors, personal representatives, executors and assigns, and the United States Government, acting by and through the U.S. Army Corps of Engineers or other Federal agency authorized by law to enforce Section 404 of the Clean Water Act.

TO HAVE AND TO HOLD the above described together with all the appurtenances, rights and privileges belonging thereto, either in law or equity, for the proper use and benefit of the Government and its successors and assigns, forever.

EXECUTIONS AND ACKNOWLEDGMENTS

IN WITNESS THEREOF, the Covenantor has hereto set its hand and seal this _____day of _____, 2019.

COVENANTOR:

CITY OF SHEBOYGAN

By: _____
Michael J. Vandersteen, Mayor

ATTEST:

By: _____
Meredith DeBruin, City Clerk

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me this _____ day of _____, 2019, the above-named Michael J. Vandersteen, Mayor, and Meredith DeBruin, City Clerk, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

_____
Notary Public, State of Wisconsin
My commission expires _____

III

Res. No. ____ - 19 - 20. By Alderpersons Donohue and Bohren. May 6, 2019.

A RESOLUTION authorizing the appropriate City officials to execute an Agreement Between the City of Sheboygan and Visit Sheboygan, Inc. Regarding a Loan to Visit Sheboygan, Inc. for Furnishings at its New Visitor Center.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Agreement Between the City of Sheboygan and Visit Sheboygan, Inc. Regarding a Loan to Visit Sheboygan, Inc. for Furnishings at its New Visitor Center, a copy of which is attached hereto.

BE IT FURTHER RESOLVED: That the Finance Director/Treasurer is hereby authorized to draw funds in the amount of One Hundred Thousand Dollars ($100,000) from the Tourism Account No. 260-115999 to be used for the furnishings of the visitor center.

Finance Personnel

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

AGREEMENT
BETWEEN THE CITY OF SHEBOYGAN, WISCONSIN
AND
VISIT SHEBOYGAN, INC.

REGARDING A LOAN TO VISIT SHEBOYGAN, INC. FOR FURNISHINGS AT ITS NEW VISITOR CENTER

This Agreement ("Agreement") is made and entered into effective this ____ day of _____, 2019 (the "Effective Date"), by and between the City of Sheboygan (the "City"), a municipal corporation and Visit Sheboygan, Inc. ("Visit Sheboygan).

WITNESSETH:

WHEREAS, Visit Sheboygan intends to be a tenant in a new building which will serve as a visitor center on South 8th Street in the City of Sheboygan; and

WHEREAS, the City recognizes that the presence of a visitor center in the City of Sheboygan is positive for the City, and wishes to support Visit Sheboygan's efforts by providing it a low interest loan for furnishings of the visitor center; and

WHEREAS, this Agreement sets forth the terms upon which the loan is being provided.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereby agree as follows:

1. Other Agreements between the Parties.

This Agreement is not intended to affect any other agreement between the Parties.

2. Furnishing the New Visitor Center.

The City shall provide One Hundred Thousand Dollars ($100,000) of value to Visit Sheboygan (the "Loan") to be used for the furnishings of the visitor center. This may be provided in cash, as an "in kind" contribution, or a combination of cash and in kind contribution. The Common Council of the City authorizes Chad Pelishek to work with Visit Sheboygan in order to determine what combination of cash and in kind contributions are most beneficial to the City and to Visit Sheboygan.

Based on the current construction schedule for the visitor center, it is unclear exactly when Visit Sheboygan will be ready to furnish the visitor center and, therefore, when it will need the loan principal from the City. The Parties' expectation is that the loan principal will not be needed prior to July 31, 2019.

Visit Sheboygan shall request the loan from the City by submitting a written request. In the event that the Parties agree that it is in the best interest of the Parties that an in kind contribution is a component of the Loan, the written request shall provide all necessary details about the in kind distribution. The City shall distribute any cash component of the Loan no later than the later of July 31, 2019 or thirty (30) days after the request is made.

The City shall distribute any in kind contribution that is a component of the Loan as soon as is practicable following the City's actual receipt of such goods; the Parties recognize that an in kind contribution may include goods ordered from one or more vendors, and that the Parties have no control over the availability of the desired goods. The City shall have no liability to Visit Sheboygan in the event that it takes more than thirty (30) days from the date of Visit Sheboygan's request to receive any component of a requested in kind distribution.

In recognition of the Local Government Investment Pool interest that the City is foregoing as a result of the Loan, Visit Sheboygan shall pay the City interest in the amount of Two and Two Tenths Percent (2.2%) per year. This interest shall remain the same regardless of how much cash and how much in kind contributions are provided to Visit Sheboygan. Because the Loan shall be One Hundred Thousand Dollars ($100,000.00), Visit Sheboygan shall repay the City One Hundred Four Thousand Four Hundred Forty Eight Dollars and Forty Cents ($104,448.40) ("Repayment Amount") on or before December 30, 2020.

Visit Sheboygan may, but is not obligated to make any payments to the City between the effective date of this Agreement and December 29, 2020. If Visit Sheboygan makes one or more payments during that time, the payment shall be subtracted from the Repayment Amount to determine the amount outstanding. There shall be no penalty for prepayment, but prepayment shall not result in more than a dollar-for-dollar reduction of the Repayment Amount.

3. Reporting Requirements.

Visit Sheboygan shall, within thirty (30) days of making an expenditure of cash received as part of the Loan, report to the City (in writing) where and how it was spent. Visit Sheboygan shall comply with all other reporting requirements set forth in federal, state, and local law.

In the event that Visit Sheboygan uses any of the cash received as part of the Loan for any purpose other than furnishings of the Visitor Center, or fails to make a required report to the City in the time period set forth above, the City may—in addition to any other right it may have, in law or in equity—declare the loan immediately due and payable.

4. Enforcement of Late Payments.

In the event that Visit Sheboygan's payment set forth in this Agreement becomes more than fifteen (15) days past due, Visit Sheboygan shall pay a late payment charge to the City equal to five percent (5%) of the entire unpaid amount of the Loan. In addition, interest shall continue to accrue at the rate of Two and Two Tenths Percent (2.2%) per year until the Loan is repaid in full, including the late payment charge.

In the event that it is necessary for the City to institute a suit or other action to enforce any right, power, or remedy set forth in this Agreement in relation to this Agreement, the prevailing party shall be entitled to recover its reasonable costs (including attorney fees) incurred from the suit or other action from the losing party.

5. Invoices.

The City shall not have any obligation to prepare invoices, payment requests, or any other form of reminder for the payment identified in this Agreement. The City may, at its sole option, issue formal or informal reminders of any upcoming payment, but the failure to do so shall not create any extension of the deadlines set forth above.

6. General Terms.

a. *Entire Agreement.* The entire agreement of the Parties regarding the Loan is contained herein. This Agreement supersedes any and all oral contracts and negotiations between the Parties with respect to the topics addressed by this Agreement. As mentioned in Section 1, it has no effect on other contracts between these parties.

b. *Amendments.* This Agreement shall be binding on the Parties, their respective heirs, devisees, and successors, and cannot be varied or waived by any oral representations or promise of any agent or other person of the Parties. Any change in any provision of this Agreement may only be made by a written amendment and signed by the duly authorized agent or agents of the Parties. The Common Council of the City must approve any amendment on behalf of the City.

c. *No Waiver.* No failure to exercise and no delay in exercising any right, power or remedy hereunder on the part of a party shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or remedy preclude any other further exercise thereof or the exercise of any other right, power, or remedy. No express waiver shall affect any event or default other than the event or default specified in such waiver, and any such waiver, to be effective, must be in writing and shall be operative only for the time and to the extent expressly provided by the party. A waiver of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

d. *Severability.* It is mutually agreed that in case any provision of this Agreement is determined by any court of law to be unconstitutional, illegal, or unenforceable, it is the intention of the parties that all other provisions of this Agreement remain in full force and effect.

e. *Notice.*

Notices to Visit Sheboygan shall be addressed to:

Amy Wilson, President
Visit Sheboygan,
826 S. 8th Street
Sheboygan, WI 53081

Notices to the City shall be addressed to:

City Clerk
City of Sheboygan
828 Center Ave.
Sheboygan, Wisconsin 53081

Any party may change its address for notice purposes at any time by providing notice to the other parties in writing.

f. *Third Party Rights.* This Agreement is intended to be solely between the Parties hereto. No part of this Agreement shall be construed to add, supplement, amend, abridge, or repeal existing rights, benefits, or privileges of any third party or parties, including—but not limited to—employees of either of the parties.

g. *Choice of Law and Venue.* This Agreement shall be governed by and construed, interpreted, and enforced in accordance with the laws of the State of Wisconsin. The Parties agree, for any claim or suit or other dispute relating to this Agreement that cannot be mutually resolved, the venue shall be Sheboygan County Circuit Court, and the parties agree to submit themselves to the jurisdiction of said court, to the exclusion of any other judicial district that may have jurisdiction over such a dispute according to any law.

h. *Authority.* Each person executing this Agreement on behalf of a party hereto represents and warrants to the other party: That the execution and delivery of this Agreement has been duly authorized, that the person or persons executing this Agreement have the full power, authority, and right to do so, and that such execution is sufficient and legally binding on such party to enable this Agreement to be enforceable in accordance with its terms.

i. *No Party the Drafter.* Despite the possibility that one party or its representatives may have prepared the initial draft of this Agreement (or any provision thereof), or played a greater role in the preparation of subsequent drafts, the parties agree that neither of them shall be deemed the drafter of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement Regarding a Loan to Visit Sheboygan, Inc. for Furnishings at its New Visitor Center to be executed by their proper officers on the day and year first written above:

CITY OF SHEBOYGAN, WISCONSIN

BY: _____
Michael J. Vandersteen, Mayor

ATTEST: _____
Meredith DeBruin, City Clerk

DATE: _____

VISIT SHEBOYGAN, INC.

BY: _____
Chad Pelishek, Chairperson

ATTEST: _____
Amy Wilson, President

DATE: _____

III

Res. No. ____ - 19 - 20. By Alderpersons Donohue and Bohren. May 6, 2019.

A RESOLUTION authorizing the appropriate City officials to execute the Agreement Between the City of Sheboygan and Visit Sheboygan, Inc. regarding Events Management.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Agreement Between the City of Sheboygan and Visit Sheboygan, Inc. Regarding Events Management, a copy of which is attached hereto and incorporated herein.

Finance
Personnel

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

AGREEMENT BETWEEN THE CITY OF SHEBOYGAN AND VISIT SHEBOYGAN, INC. REGARDING EVENTS MANAGEMENT

This Agreement ("Agreement") is made and effective this _____ day of _____, 2019, by and between the City of Sheboygan (the "City"), a municipal corporation and Visit Sheboygan, Inc. ("Visit Sheboygan").

WITNESSETH:

WHEREAS, the City desires to obtain event management services from an organization with the skills and experience necessary to coordinate and manage civic events in the City of Sheboygan, such as the Independence Day Celebration ("IDC") and the Sheboygan Pops Summer Concert Series in Fountain Park ("Summer Concert Series") and at City Green; and

WHEREAS, the IDC, Summer Concert Series, and events at City Green do not meet the definition of "tourism promotion and tourism development" under Wis. Stat. § 66.0615(1)(fm), because they are not "reasonably likely to generate paid overnight [hotel] stays"; and

WHEREAS, although these events do not meet the statutory definition of "tourism promotion and tourism development", the City believes that these are important events; and

WHEREAS, Visit Sheboygan has the event management experience necessary to successfully coordinate and manage these events; and

WHEREAS, Visit Sheboygan is willing to provide the City with the necessary event management services under the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and the terms and conditions set forth herein, the parties agree as follows:

I. Event Management Services.

A. Visit Sheboygan shall assume responsibility for organizing, promoting and executing the IDC, Summer Concert Series, and City-sponsored events at City Green (collectively the "Events") as follows:

(1) General

a. Visit Sheboygan will coordinate and manage all pre-event logistics and supplier services and needs, on-site

management, sponsorship fulfillment, and post-event functions necessary for each Event to be a success.

b. Any and all agreements with third parties for services related to the Events shall be by and between the third party and Visit Sheboygan.

(2) Independence Day Celebration

a. Visit Sheboygan's responsibilities for the IDC shall include, but are not limited to:

1. Coordination and management of the IDC parade, including: (1) parade entry, (2) coordination of line-up, (3) route management, (4) on-site management, (5) parade marshal coordination, (6) parade judges coordination, (7) winner acknowledgment, and (8) official parade announcements.
2. Negotiation for services and management of all necessary suppliers, such as: (1) porta-potty/metro needs for the parade, (2) the lakeshore parks and fireworks viewing areas, (3) children and family entertainment, (4) tent, (5) fencing, (6) seating and logistical setup, (7) electrical fulfillment, (8) musical entertainment and logistics (including lights, sound, and staging), (9) vendor coordination and specifications for county health code and general safety, (10) signage and promotional material for sponsor fulfillment and public management, (11) advertising production and placement for event promotion and/or public service announcements, and (12) any other supplier relationships that may be necessary to successfully manage the IDC.
3. Coordination and collaboration with the Sheboygan Police Department, Sheboygan Fire Department, Sheboygan Department of Public Works, and any other municipal entities or departments as necessary to ensure public safety and proper use and need for City equipment and services including, but not limited to, public park use, traffic control, on-site security, use and placement of park equipment, trash coordination for parks, street closures, and crowd control.
4. Handle all permits, requests to the Common Council

of the City, reservations to the Sheboygan Department of Public Works, and any other permits, licenses, or permissions necessary to ensure that proper resources and notifications are agreed to in advance by all parties and City departments involved in the IDC.

b. The parties recognize that an exact delineation of the services is not practical, given the broad nature of the IDC, but the parties do agree that the City shall have final approval for all general event schedules of the IDC.

c. Visit Sheboygan shall have no responsibility for the procurement, running or displaying of fireworks.

(3) Summer Concert Series

a. The Summer Concert Series shall consist of approximately six concerts by the Sheboygan Pops Concert Band in Fountain Park.

b. Visit Sheboygan's responsibilities for the Summer Concert Series shall include, but are not limited to:

1. Coordination of dates, reservations, and equipment needs with the Sheboygan Department of Public Works for the Wednesday night Sheboygan Pops Summer Concert Series in Fountain Park.
2. Issuance of payment to the Sheboygan Pops Concert Band for the summer performances based upon negotiated rates agreed to by the City.

(4) City Green

a. Visit Sheboygan agrees to act as the general manager of City Green, including scheduling the space for public events, coordinating the maintenance and upkeep of the space with the calendar of scheduled events, working with organizations to ensure that City event requirements (such as street closures, permits, licenses, equipment needs, and electrical needs) are met, and managing the logistics and promotion for City-sponsored events held at City Green (as provided by I(A)(1) of this Agreement).

II. Sponsorship.

The City shall be responsible for securing funding for the IDC and the Summer Concert Series through sponsorships. Visit Sheboygan shall work and cooperate with the City to solicit prospective sponsors, with the intent of negotiating sponsor agreements between the City and the sponsoring individual, organization or company to procure funds for the IDC and the Summer Concert Series. The City and Visit Sheboygan may also solicit members of the Visit Sheboygan Board to assist in the procurement of sponsorships for the IDC. Visit Sheboygan shall invoice all sponsors on behalf of the City and shall collect all sponsor funds and hold the same for use only for the payment of the costs of the IDC and/or the Summer Concert Series.

III. Cost.

During the Initial Term, Visit Sheboygan shall create a budget to be submitted to the City no later than April 30 for the year's Events. During each year of the Subsequent Term, Visit Sheboygan shall create a budget to be submitted to the City no later than March 31 for the year's Events. The budget shall outline all anticipated event costs, including estimated cost of staff time to plan, coordinate and manage the events, including post-event wrap-up and reconciliation. The Parties' expectation is that the budget for each year's Events will be approximately $160,000. Of the $160,000, approximately $50,000 is expected to be for the IDC fireworks (funded via sponsorship), approximately $50,000 is expected to be for other expenses related to the Events (funded via sponsorship), approximately $50,000 is expected to consist of in-kind donations from the City pursuant to I(A)(2)(a)(3) of this Agreement, and approximately $10,000 is expected to consist of budgeted funds from the City's Planning Department Budget.

If the City's Planning and Development Department Budget for the year includes at least $10,000 for the Events, and Visit Sheboygan's Budget does not exceed $160,000, the Common Council of the City authorizes the City's Director of Planning and Development to review and approve the Budget for the Events. If the City's Planning and Development Department Budget for the year does not include at least $10,000 for the Events, or Visit Sheboygan's Budget exceeds $160,000, the Common Council of the City must review and approve the Budget prior to Visit Sheboygan providing further Services. The City shall be responsible for funding City-sponsored events at City Green. Visit Sheboygan shall manage City-sponsored events at City Green within the limitations of funding provided by the City, and Visit Sheboygan shall invoice the City for the cost of City-sponsored events at City Green upon conclusion of each event. The City agrees to reimburse Visit Sheboygan within the agreed upon budget, within 30 days of receipt of invoice. Visit Sheboygan shall provide evidence of cost, such as receipts and third-party contracts, as necessary and upon request by the City.

In the event sponsor funding exceeds expenses for an Event, Visit Sheboygan will hold the excess funds for the next year's Event, pay the excess funds to the City for future Event expenses, or, with the consent of the City's Director of Planning and Development, use them for the current year's Events. In the event that the Sponsorship efforts (pursuant to Article II) are insufficient at securing the necessary funding to cover the budgeted event expenses, Visit Sheboygan will work with the City on budget cut decisions. Subject to the appropriation of funds by the Common Council, the City

shall have responsibility for covering any shortfall. In no event shall the City have obligation for covering any expenses that exceed the approved Budget.

In the event of an unexpected expense due to an event of force majeure, Visit Sheboygan will contact the City's Director of Planning and Development as soon as practicable. The City and Visit Sheboygan will work collaboratively to determine an appropriate path forward.

IV. Additional City Services.

The City recognizes the Events require use of City land and services. The City agrees to provide use of the following for the Events at no cost:

- Use of Deland Park (including pavilions, shelters, and structures) for the IDC
- Use of Rotary Park and South Pier (including pavilions, shelters, and structures) for the IDC
- Use of Fountain Park (including pavilions, shelters, and structures) for the Summer Concert Series
- Use of City Green (including pavilions, shelters, and structures) for City-sponsored events.
- Use of City streets and lots, upon approval of a parade permit submitted by Visit Sheboygan and approved by the Sheboygan Police Department (as necessary for parade staging and route commencement).
- Appropriate police aid for traffic control and crowd control throughout the IDC
- Appropriate support and equipment from the Sheboygan Department of Public Works for park maintenance, picnic tables, grills, and any other appropriate equipment under the purview of the Department for use during the Events.
- Appropriate support and equipment from the Sheboygan Department of Public Works for park maintenance, picnic tables, grills, and any other appropriate equipment under the purview of the Department for use during the City Green event season.

V. General Provisions.

A. Term. This Agreement shall begin upon the execution by both parties and shall continue until December 31, 2019 ("Initial Term"). It shall automatically renew for successive annual periods ("Subsequent Term") unless a Notice of Nonrenewal is given to one party by the other party at least three (3) months prior to the end of the then-current Term.

B. Default. Should either party be in default of the terms and provisions of this Agreement, and such default continues for more than thirty (30) days after written notice of the same from the non-defaulting party, then the non-defaulting party may terminate this Agreement upon written notice to the defaulting party. Upon any termination of this Agreement, the City agrees to reimburse Visit Sheboygan for any payments made for outstanding obligations to third-party vendors incurred by Visit Sheboygan for event management services, and Visit Sheboygan agrees to pay the City any excess

unused, excess sponsor funding for procured for events pursuant to this Agreement.

C. Modifications. This Agreement may be modified or amended by the parties at any time provided such changes are mutually agreed to, in writing, and signed by both parties.

D. Assignment by Visit Sheboygan. Visit Sheboygan shall not assign, transfer, convey, pledge, sublet or otherwise dispose of this Agreement without prior consent of the City in writing.

E. Limitation of Authority. Except as may be specifically provided for with respect to event management services, Visit Sheboygan shall have no power to solicit proposals, bids or contracts on behalf of the City and no authority to bind the City or act in the City's behalf in any manner whatsoever. Visit Sheboygan's authority is hereby limited to those duties and responsibilities specifically enumerated herein.

F. Verification of Expenditures. Visit Sheboygan shall provide a final financial report, including a profit and loss statement, for the Events to the City Administrator or the City Administrator's Designee following the Events and after all invoices have been received, but no later than September 1 of each year. In addition, Visit Sheboygan shall provide all documentation reasonably requested by the City in order to verify expenses. The City's Finance Director/Treasurer shall have access to such books and records of Visit Sheboygan pertaining to activities pursuant to this Agreement.

G. Indemnity. Visit Sheboygan shall indemnify, defend, and hold the City and its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney fees, arising out of or in connection with the performance of this Agreement.

H. Nondiscrimination Provision. In connection with the performance of work under this Agreement, Visit Sheboygan agrees not to discriminate against any employee or applicant for employment on the basis of age, race, religion, color, handicap, sex, physical condition, developmental disability (as defined in Wis. Stat. 51.01(5)), sexual orientation (as defined in Wis. Stat. 111.32(13m)), or national origin. This provision shall include, but is not limited to: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training. Visit Sheboygan further agrees to take affirmative action to ensure equal employment opportunities.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized agents as of the date and year first written above.

CITY OF SHEBOYGAN	**VISIT SHEBOYGAN, INC.**
BY: _____	**BY:** _____
Michael J. Vandersteen	Chad Pelishek
Mayor	Chairman
ATTEST: _____	**ATTEST:** _____
Meredith DeBruin	Amy L. Wilson
City Clerk	President/CEO
DATED: _____	**DATED:** _____

III

Res. No. ____ - 19 - 20. By Alderpersons Donohue and Bohren. May 6, 2019.

A RESOLUTION authorizing the appropriate City officials to execute the Agreement Between the City of Sheboygan, Visit Sheboygan, Inc., and Sheboygan Area Room Tax Commission Regarding Reimbursement of Expenditures Made By the City of Sheboygan Related to Blue Harbor Resort and Conference Center.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Agreement Between the City of Sheboygan, Visit Sheboygan, Inc., and Sheboygan Area Room Tax Commission Regarding Reimbursement of Expenditures Made By the City of Sheboygan Related to Blue Harbor Resort and Conference Center, a copy of which is attached hereto and incorporated herein.

finance + personnel

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

AGREEMENT
BETWEEN THE CITY OF SHEBOYGAN, WISCONSIN,
VISIT SHEBOYGAN, INC., AND
SHEBOYGAN AREA ROOM TAX COMMISSION

REGARDING REIMBURSEMENT OF EXPENDITURES MADE BY THE CITY OF SHEBOYGAN RELATED TO BLUE HARBOR RESORT AND CONFERENCE CENTER

This Agreement ("Agreement") is made and entered into effective this ____ day of _____, 2019 (the "Effective Date"), by and between: (1) the City of Sheboygan (the "City"), a municipal corporation, (2) Visit Sheboygan, Inc. ("Visit Sheboygan"), and (3) the Sheboygan Area Room Tax Commission (the "Commission"). Referenced together, the City, Visit Sheboygan, and the Commission are the parties ("Parties") to this Agreement.

WITNESSETH:

WHEREAS, the Redevelopment Authority of the City of Sheboygan, Wisconsin ("Redevelopment Authority") owned certain land on the south shore of the Sheboygan River bordering Lake Michigan in the City of Sheboygan (the "South Pier"); and

WHEREAS, the Redevelopment Authority and the City desired to have the South Pier developed; and

WHEREAS, the Redevelopment Authority and the City determined that it was desirable and in the best interest of the City and its citizens that the first phase of development at the South Pier include a hotel, water park, convention center, parking areas, condominiums, and other associated improvements ("Blue Harbor"); and

WHEREAS, in furtherance of that objective, the Redevelopment Authority and the City executed a number of documents on July 30, 2003, including a: (1) Development Agreement, (2) Ground Lease, and (3) Operating Lease; and

WHEREAS, pursuant to the Development Agreement, the City was to pay for the construction of the convention center, which would be constructed by The Great Lakes Companies, Inc., or Blue Harbor Resort Sheboygan, LLC; and

WHEREAS, pursuant to the Development Agreement, the Redevelopment Authority retained ownership of the land on which the convention center would be built, and the City would own the convention center; and

WHEREAS, pursuant to the Development Agreement, Blue Harbor Resort Sheboygan, LLC[1] would lease the convention center from the City, and operate the convention center; and

WHEREAS, the construction cost for the convention center was $8,200,000; and

WHEREAS, in order to fund the construction cost for the convention center, the City issued taxable Bond Anticipation Notes on November 15, 2003; and

WHEREAS, the City issued General Obligation Taxable Bonds on July 1, 2006 to pay for the Bond Anticipation Notes, and refunded the 2006 Bonds on August 4, 2015 with General Obligation Taxable Bonds; and

WHEREAS, although the General Obligation Taxable Bonds provide that they are general obligations of the City payable from taxes levied on all taxable property in the City without limitation as to rate or amount, the anticipation was that the General Obligation Taxable Bonds would be paid via room tax receipts from Blue Harbor; and

WHEREAS, to protect the City's interests, the Development Agreement contained a guaranteed minimum room tax payment; and

WHEREAS, on January 19, 2015, the Common Council for the City of Sheboygan passed a resolution which observed that, despite the guaranteed minimum room tax provision, the actual room tax receipts had not been sufficient to cover the debt payments and, as a result, the City has been covering the shortfalls; and

WHEREAS, the January 19, 2015 resolution indicated that the convention center debt would be repaid in 2018 and, at that time, the City would be able to determine the total amount of shortfall from the room tax receipts; and

WHEREAS, the January 19, 2015 resolution directed the Finance Director / Treasurer to calculate the amount of shortfall; and

WHEREAS, the Finance Director / Treasurer has determined the amount of the shortfall to be Seven Hundred Forty Nine Thousand Three Hundred Ninety Nine Dollars ($749,399) (the "Shortfall"); and

WHEREAS, the intent of all involved in the process was that room tax receipts would be used to reimburse the City for the funds it contributed to the debt payments for the

[1] The Parties note that in 2011 the Operating Lease with Blue Harbor Resort Sheboygan LLC was terminated and a new Operating Lease was executed with Claremont New Frontier Resort, LLC. This was due to a restructuring of the ownership interests in the various components of the Blue Harbor Resort and Convention Center project.

convention center not covered by actual room tax receipts, as represented by the Shortfall; and

WHEREAS, this reimbursement is permissible under Wis. Stat. § 66.0615(1m)(d); and

WHEREAS, this Agreement sets forth the terms upon which the reimbursement will be accomplished.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereby agree as follows:

1. Other Agreements between the Parties.

The City is one of the political subdivisions that established the Commission, and is a voting member of the Commission. This Agreement is not intended to affect any other agreement between the City and the Commission.

This Agreement is also not intended to affect any other agreement between the City and Visit Sheboygan.

Wis. Stat. § 66.0515 (the "Room Tax Act") outlines the statutory guidelines on the collection of a tax on the privilege of furnishing, at retail, except sales for resale, rooms or lodging to transients by hotelkeepers, motel operators, lodging marketplaces, owners of short-term rentals, and other persons furnishing accommodations that are made available to the public (the "Room Tax"). The Commission is charged with coordinating tourism promotion and development for the Tourism Zone, which includes the usage of the Room Tax. Visit Sheboygan is currently the recipient of 70% of the Room Tax. Other than, to the extent required by law, to approve the reimbursement to the City addressed by this Agreement, this Agreement does not affect any agreement between any of the Parties and any other entity (including any of the other Parties) relating to Room Tax.

2. Repayment of the Blue Harbor Debt Service.

The Commission instructs Visit Sheboygan to repay the City for the debt service payments it made toward the convention center above and beyond the room tax receipts received from Blue Harbor. This repayment shall be actually received by the City on the following schedule:

December 30, 2019: $100,000
December 30, 2020: $100,000
December 30, 2021: $125,000
December 29, 2022: $125,000
December 28, 2023: $125,000
December 30, 2024: $125,000

December 30, 2025: $49,399

(Collectively the "Reimbursement").

So long as the Reimbursement Payments are made timely, no interest shall be calculated on the Reimbursement.

Visit Sheboygan may, but is not obligated to make any payments to the City regarding the Reimbursement other than as set forth above. If Visit Sheboygan decides to make payments on a faster schedule than that set forth above, there shall be no penalty, but prepayment shall not result in more than a dollar-for-dollar reduction of the total amount of Reimbursement.

3. Enforcement of Late Payments.

In the event any payment from Visit Sheboygan to the City set forth in this Agreement becomes more than fifteen (15) days past due, Visit Sheboygan shall pay a late payment charge to the City equal to five percent (5%) of the entire unpaid amount of the installment. Payments received after any installment becomes more than fifteen (15) days past due shall be applied first to current installment(s) and then to delinquent installments for purposes of this provision.

In the event that it is necessary for the City to institute a suit or other action to enforce any right, power, or remedy set forth in this Agreement in relation to this Agreement, the prevailing party shall be entitled to recover its reasonable costs (including attorney fees) incurred from the suit or other action from the losing party.

4. Consent of the Sheboygan Area Room Tax Commission

For the avoidance of doubt, to the extent required by Wis. Stat. § 66.0515, or any other federal, state, or local law, the Sheboygan Area Room Tax Commission explicitly consents to the usage of Room Tax by Visit Sheboygan as set forth in this Agreement.

5. Invoices.

The City shall not have any obligation to prepare invoices, payment requests, or any other form of reminder for the payments identified in this Agreement. The City may, at its sole option, issue formal or informal reminders of upcoming payments, but the failure to do so shall not create any extension of the deadlines set forth above.

6. General Terms.

   a. *Entire Agreement.* The entire agreement of the Parties regarding the Reimbursement is contained herein. This Agreement supersedes any and all oral contracts and negotiations between the Parties with respect to the topics addressed by this Agreement. As mentioned in Section 1, it has no effect on other contracts between these parties.

b. *Amendments.* This Agreement shall be binding on the Parties, their respective heirs, devisees, and successors, and cannot be varied or waived by any oral representations or promise of any agent or other person of the Parties. Any change in any provision of this Agreement may only be made by a written amendment and signed by the duly authorized agent or agents of the Parties. The Common Council of the City must approve any amendment on behalf of the City.

c. *No Waiver.* No failure to exercise and no delay in exercising any right, power or remedy hereunder on the part of a party shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or remedy preclude any other further exercise thereof or the exercise of any other right, power, or remedy. No express waiver shall affect any event or default other than the event or default specified in such waiver, and any such waiver, to be effective, must be in writing and shall be operative only for the time and to the extent expressly provided by the party. A waiver of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

d. *Severability.* It is mutually agreed that in case any provision of this Agreement is determined by any court of law to be unconstitutional, illegal, or unenforceable, it is the intention of the parties that all other provisions of this Agreement remain in full force and effect.

e. *Notice.*

Notices to Visit Sheboygan shall be addressed to:

Amy Wilson, President
Visit Sheboygan,
826 S. 8th Street
Sheboygan, WI 53081

Notes to the Sheboygan Area Room Tax Commission shall be addressed to:

Chad Pelishek
Sheboygan Area Room Tax Commission
828 Center Avenue
Sheboygan, WI 53081

Notices to the City shall be addressed to:

City Clerk
City of Sheboygan
828 Center Ave.
Sheboygan, Wisconsin 53081

Any party may change its address for notice purposes at any time by providing notice to the other parties in writing, at the addresses set forth above.

f. *Third Party Rights.* This Agreement is intended to be solely between the Parties hereto. No part of this Agreement shall be construed to add, supplement, amend, abridge, or repeal existing rights, benefits, or privileges of any third party or parties, including—but not limited to—employees of either of the parties.

g. *Choice of Law and Venue.* This Agreement shall be governed by and construed, interpreted, and enforced in accordance with the laws of the State of Wisconsin. The Parties agree, for any claim or suit or other dispute relating to this Agreement that cannot be mutually resolved, the venue shall be Sheboygan County Circuit Court, and the parties agree to submit themselves to the jurisdiction of said court, to the exclusion of any other judicial district that may have jurisdiction over such a dispute according to any law.

h. *Authority.* Each person executing this Agreement on behalf of a party hereto represents and warrants to the other party: That the execution and delivery of this Agreement has been duly authorized, that the person or persons executing this Agreement have the full power, authority, and right to do so, and that such execution is sufficient and legally binding on such party to enable this Agreement to be enforceable in accordance with its terms.

i. *No Party the Drafter.* Despite the possibility that one party or its representatives may have prepared the initial draft of this Agreement (or any provision thereof), or played a greater role in the preparation of subsequent drafts, the parties agree that neither of them shall be deemed the drafter of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement Regarding Reimbursement of Expenditures Made by the City of Sheboygan Related to Blue Harbor Resort and Conference Center to be executed by their proper officers on the day and year first written above:

CITY OF SHEBOYGAN, WISCONSIN

BY: _____
Michael J. Vandersteen, Mayor

ATTEST: _____
Meredith DeBruin, City Clerk

DATE: _____

VISIT SHEBOYGAN, INC.

BY: _____
Chad Pelishek, Chairperson

ATTEST: _____
Amy Wilson, President

DATE: _____

SHEBOYGAN AREA ROOM TAX COMMISSION

BY: _____
Chad Pelishek, Commission Chairperson

ATTEST: _____
Michael Vandersteen, Commission Vice-Chairperson

DATE: _____

III

Res. No. ____ - 19 - 20. By Alderpersons Donohue and Bohren. May 6, 2019.

A RESOLUTION authorizing the appropriate City officials to execute a Purchase and Sale Agreement for the purchase of land from the Union Pacific Railroad Company.

RESOLVED: That the appropriate City officials are hereby authorized to execute the Purchase and Sale agreement, a copy of which is attached hereto.

BE IT FURTHER RESOLVED: That the Finance Director/Treasurer is hereby authorized to make payments on same, as called for in the agreement, from the TID 16 Capital Improvements Fund - Improvements Other Than Buildings - account no. 42661100-631100.

_____

_____

Finance + Personnel

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (the "Agreement") is made and entered into this _____ day of _____, 2019 ("Execution Date"), by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation, whose address is 1400 Douglas Street, Omaha, Nebraska 68179 ("Seller"), and **CITY OF SHEBOYGAN**, a Municipal corporation of the State of Wisconsin, whose address is 828 Center Avenue, Suite 301, Sheboygan, Wisconsin 53081 ("Buyer").

IT IS MUTUALLY AGREED
BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Section 1. Purchase and Sale of the Property.

A. Seller hereby agrees to sell and Buyer hereby agrees to purchase, on the terms and conditions of this Agreement, Seller's right, title and interest in and to the real property situated near the City of Sheboygan, Sheboygan County, State of Wisconsin, between Milepost 148.2 to Milepost 149.5 of Seller's former Sheboygan Passenger Line, identified as "SALE AREA" and generally shown in red crosshatching on the print dated June 22, 2018, attached hereto as **Exhibit A** and made a part hereof (the "Land"), together with other personal property, fixtures and improvements thereon to the extent owned by Seller, including, without limitation, ballast, if any, and any appurtenances related thereto (the "Personal Property"). The Land and the Personal Property are hereafter sometimes collectively called the "Property".

> EXCEPTING from this sale and RESERVING unto Seller, its successors and assigns, forever, all minerals and all mineral rights of every kind and character now known to exist or hereafter discovered, including, without limiting the generality of the foregoing, oil and gas and rights thereto, together with the sole, exclusive and perpetual right to explore for, remove and dispose of said minerals by any means or methods suitable to Seller, its successors and assigns, but without entering upon or using the surface of the Property, and in such manner as not to damage the surface of said lands or to interfere with the use thereof by Buyer, its successors or assigns.

B. The sale made pursuant to this Agreement shall be subject to any and all applicable federal, state and local laws, orders, rules and regulations, and any and all outstanding rights whether or not of record or open and obvious on the ground.

Section 2. Purchase Price.

The purchase price for the Property is ONE MILLION TWO HUNDRED SEVENTY-ONE THOUSAND FIVE HUNDRED THREE AND NO/100th DOLLARS ($1,271,503.00) ("Purchase Price"). The Purchase Price shall be paid by Buyer to Seller at Closing (as defined in Section 5).

Section 3. Compliance with Trails Act.

This Agreement is being entered into in accordance with and subject to the National Trails System Act, 16 U.S.C. §1247(d), and the terms and conditions contained in the decision to be served by the Surface Transportation Board ("Trails Use Decision"), as set forth in Section 4A below. After Closing, Buyer agrees to assume full responsibility for management of the Property and for any legal liability arising out of such transfer or use. If rail service on the Property is reactivated pursuant to the National Trails System Act, then Seller shall have the right to repurchase the Property for the then-current fair market value of the Property (including all improvements thereon) as determined by appraisal. The provisions of this Section 3 shall survive the Closing and the delivery of the Deed.

Section 4. Conditions Precedent to Sale.

This Agreement is made and executed by the parties hereto subject to the following conditions precedent:

A. STB Abandonment.

(i) Within thirty (30) days after the Execution Date, Seller shall commence the process to file an application, petition or notice of exemption with the Surface Transportation Board ("STB") to obtain authority to abandon Seller's common carrier obligations with respect to the Property (the "Abandonment Filing"). If the STB imposes any condition to the Abandonment Filing (including, without limitation, labor protection) Buyer agrees to be responsible for the cost of satisfying all such conditions. Seller agrees to provide reasonable assistance to Buyer in satisfying such conditions, at Buyer's sole cost. Seller shall not be obligated to close the transaction until all such conditions are satisfied.

(ii) Risk. Buyer recognizes and bears the risk that the Abandonment Filing may be denied or that conditions may be imposed on the Abandonment Filing.

(iii) Trails Use Decision. Buyer must file its notice for trail use within the time period specified under the applicable regulations. In the event the STB does not issue a Trails Use Decision, or the Trails Use Decision applicable to the Property lapses, expires or is invalidated prior to Closing, this Agreement shall be deemed terminated forthwith. In the event of such termination, this Agreement shall be without any further force and effect, and without further obligation of either party to the other.

B. Title Evidence. Buyer may, at its sole cost and expense, obtain evidence of title to the property via a preliminary title report, a letter report, or other evidence of title deemed acceptable by the Buyer at its sole discretion. If title is not acceptable to the Buyer for closing, Buyer shall notify the Seller no less than fifteen (15) days prior to closing of its objections, and provide a copy of the evidence of title. In such event, Seller shall have a reasonable time, but not exceeding ten (10) days from Buyer's delivery of the notice of objection to deliver notice to Buyer whether or not Seller will remove the objections by the time set for closing. In the event that Seller is unable or unwilling to

remove said objections, Buyer may deliver to Seller written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver written notice of termination and this Offer shall be null and void.

C. Survey. Buyer shall, at its sole cost and expense, obtain a survey of the Property. Buyer shall furnish a copy of such survey of the Property, prepared and certified to both Seller and Buyer by a public surveyor registered in the State of Wisconsin, to Seller within one hundred fifty (150) days after the Execution Date. The survey, as approved by Buyer and Seller, shall be used by Seller as the basis for preparation of the description of the Property.

D. Feasibility Studies. On or before two hundred ten (210) days after the Execution Date ("Feasibility Review Period"), Buyer, and its agents and contractors, are granted the privilege of entering upon the Property for the purpose of performing environmental audits, soil tests, engineering and feasibility studies of the Property as Buyer may deem necessary to determine the suitability of the soil conditions and other physical conditions of the Property. If the results of such audits, tests or studies are unsatisfactory in Buyer's reasonable opinion, Buyer may, at its option, elect to terminate this Agreement by giving Seller written notice of termination before the end of the Feasibility Review Period. If no such written notice of termination is given by Buyer to Seller before the end of the Feasibility Review Period, the Property shall be deemed suitable for Buyer's purposes. In the event of such termination by Buyer, then Buyer shall surrender to Seller copies of all audits, soils, engineering and any other reports prepared for Buyer pertaining to the Property and said reports shall become the sole property of Seller without cost or expense of Seller (and the contents thereof shall be kept confidential by Buyer and Buyer's consultants), and this Agreement shall terminate and be without any further force and effect, and without further obligation of either party to the other. Regardless of whether or not this Agreement is terminated, Buyer shall promptly furnish Seller with a copy of any and all reports on environmental assessments performed for the benefit of Buyer.

In the event Buyer, its agents or contractors, shall enter upon the Property for the purposes set forth in this Section 4.C., such entry shall be subject to the following terms and conditions:

(i) Buyer agrees to indemnify and save harmless Seller and/or Seller's affiliates ("Seller's affiliates" means any corporation which directly or indirectly controls or is controlled by or is under common control with Seller), their officers, agents, servants and employees, against and from any and all liability, loss, costs and expense of whatsoever nature growing out of personal injury to or death of persons whomsoever, or loss or destruction of or damage to property whatsoever, where such personal injury, death, loss, destruction or damage arises in connection with or incident to the occupation or use of the Property by, or the presence thereon of Buyer, Buyer's agents, contractors, servants or licensees prior to Closing;

(ii) Buyer covenants and agrees to pay in full for all materials joined or affixed to the Property and to pay in full all persons who perform labor upon said premises, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Property for any work done or materials furnished

thereon at the instance or request or on behalf of Buyer; and Buyer agrees to indemnify and hold harmless Seller against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed or materials furnished prior to Closing;

(iii) In the event the sale and purchase of the Property does not close, Buyer shall, as soon as possible and at Buyer's sole expense, restore the Property to the same condition it was in immediately prior to the time Buyer entered the Property, failing in which Seller may perform the work of restoration and Buyer shall reimburse Seller for the cost and expense thereof within thirty (30) days after rendition of bill therefore by Seller; and

(iv) Notwithstanding any provisions in this Agreement to the contrary, in the event this Agreement is terminated for any reason whatsoever, Buyer nevertheless shall be obligated to comply with the provisions of this Section 4.D.

E. Buyer's Approval. The terms and conditions of this transaction are subject to approval by Buyer's City Council. Notice of approval shall be given by Buyer to Seller on or before the Closing Date (as defined in Section 5), and failure to give such notice shall be deemed notice of disapproval. If the terms of this Agreement are not approved on or before the Closing Date for any reason by Buyer's City Council, then this Agreement shall be deemed terminated forthwith. In the event of such termination, this Agreement shall be without any further force and effect, and without further obligation of either party to the other.

F. Seller's Management Approval. The terms and conditions of this transaction are subject to approval in accordance with Seller's Management Policy Statement. Notice of approval or disapproval shall be given by Seller to Buyer on or before the Closing Date, and failure to give such notice shall be deemed notice of disapproval. If the terms of this Agreement are not approved on or before the Closing Date for any reason in accordance with Seller's Management Policy Statement, then this Agreement shall be deemed terminated forthwith. In the event of such termination, this Agreement shall be without any further force and effect, and without further obligation of either party to the other.

G. Joint Notice to Surface Transportation Board. At Closing and in accordance with the requirements of 49 C.F.R. 1152.29(h), Buyer and Seller agree to execute (i) a Joint Notice to the Surface Transportation Board certifying that this Agreement includes a provision requiring Buyer to fulfill the responsibilities described at 49 C.F.R. 1152.29(a)(3) ("Joint Notice"), and (ii) a Statement of Willingness to Assume Financial Responsibility ("Statement of Willingness"), both in the form attached hereto as **Exhibit B** and made a part hereof.

H. Removal of Track. Prior to the Closing Date, Seller, at its sole expense, shall remove or cause others to remove any railroad trackage, ties, signals and appurtenances now located on the Land. Buyer agrees to provide to Seller or other parties owning said railroad trackage, ties, signals and appurtenances necessary access for said removal.

I. Utility Agreement. Certain utility facilities are located on the Property pursuant to (i) Agreement for Assignment of Certain Licenses and Agreements between Seller and Strong Capital I ("Strong") dated May 24, 2001, as amended by Amendment dated June 22, 2001 (collectively, the "Strong Agreement"), and (ii) Agreement between Seller and Buyer dated August 17, 1977 identified in Seller's records as Audit No. 186953, and (iii) Agreement between Seller and Buyer dated August 22, 1977 identified in Seller's records as Audit No. 186930 (the latter two, collectively, the "Strong Licenses"). Upon Closing, Seller will send or cause to be sent to (1) Strong notice of removal of the Strong Licenses from the Strong Agreement, and (2) the Buyer notice of termination of the Strong Licenses. The notice of removal will be given in accordance with the provisions of the Strong Agreement. The notice of termination will be given in accordance with the provisions of the Strong Licenses, and will be effective not less than thirty-five (35) days after the notice of termination is sent to the Buyer. Seller will have no duty to enforce the obligations of Strong or the Buyer with respect to removal of the Strong Licenses from the Strong Agreement or termination of the Strong Licenses, including, without limitation, any obligations of the Buyer to remove the utility facilities. If requested in writing by Buyer, at Closing, Seller will assign to Buyer Seller's rights to enforce any such obligations of Strong and/or the Buyer. The fee of $7,668.00 ("Strong Withdrawal Fee") required under the Strong Agreement to be paid by Seller to Strong for removal of the Strong Licenses from the Strong Agreement will be paid by Buyer to Seller at Closing.

Section 5. Closing.

A. The sale and purchase of the Property shall close ("Close" or "Closing") on or before thirty (30) days after the end of the Feasibility Review Period, or such earlier date to which Seller and Buyer may mutually agree ("Closing Date"). Possession of the Property shall pass to Buyer on Closing. Buyer shall have no right to possession or occupancy of or entry upon any portion of the Property, except as set forth in Section 4.C., and title thereto shall be and remain vested in Seller until Closing.

B. At the Closing, Buyer shall deliver to Seller the Purchase Price and the following documents as duly executed by Buyer:

(i) The Deed referred to in Section 6;

(ii) Quitclaim Bill of Sale (as defined in Section 6);

(iii) Assignment and Assumption Agreement (as defined in Section 7); and

(iv) The Joint Notice and Statement of Willingness referred to in Section 4.G.

C. Seller shall deliver to Buyer the following documents as duly executed by Seller:

(i) The Deed referred to in Section 6;

(ii) Quitclaim Bill of Sale referred to in Section 6;

(iii) Assignment and Assumption Agreement referred to in Section 7; and

(iv) The Joint Notice and Statement of Willingness referred to in Section 4.G.

D. At Closing, Seller shall pay Seller's pro rata share of real estate taxes (whether general or special) assessed against the Property and due and payable for the year of Closing.

E. At Closing, Buyer shall pay the following costs:

(i) Buyer's pro rata share of real estate taxes (whether general or special) assessed against the Property and due and payable for the year of Closing;

(ii) The cost of recording the Deed;

(iii) The Wisconsin State real estate excise tax, if any; and

(iv) The cost of the required state revenue stamps, if any.

Section 6. Form of Deed and Quitclaim Bill of Sale.

A. Upon Closing as set forth in Section 5, Seller's right, title and interest in and to the Land shall be transferred by Seller to Buyer by a duly executed Quitclaim Deed (the "Deed") in the form attached hereto as **Exhibit C** and made a part hereof. Seller's right, title and interest in and to the Personal Property shall be transferred by Seller to Buyer by a duly executed Quitclaim Bill of Sale ("Quitclaim Bill of Sale") in the form attached hereto as **Exhibit D** and made a part hereof.

B. Post-Sale Covenant. The Property will be quitclaimed by Seller subject to the following covenant, condition and restriction which Buyer, by the acceptance of the Deed, shall covenant for itself, its successors and assigns, faithfully to keep, observe and perform:

> Restriction on Use. Buyer, its successors and assigns, may use the Property for hike and bike trail purposes (including, but not limited to, structures constructed on paved ground that support the trail use, such as water fountains, restrooms and benches). Without limitation of the foregoing, the Property must not be used for any of the following purposes: (i) residential; (ii) lodgings or accommodations (including, without limitation, hotels, motels, boarding houses, dormitories, hospitals, nursing homes, or retirement centers); or (iii) cultural, educational, or child-care facilities (including, without limitation, schools, kindergartens, day-care centers, gymnasiums, athletic fields, picnic grounds or parks). Notwithstanding any other provision herein, the terms "picnic grounds" and "parks" expressly do not prohibit structures constructed on paved ground that support the hike and bike trail use as described herein.

The foregoing covenant, condition and restriction shall run with the Property, and a breach of the foregoing covenant, condition and restriction, or the continuance thereof, may, at the option of Seller, its successors or assigns, be enjoined, abated or remedied by appropriate proceedings.

Section 7. Assignment of Licenses.

A. Upon Closing, Seller shall assign to Buyer, and Buyer shall assume, all of Seller's right, title and interest in and to the license agreements listed as an exhibit to the form of Assignment and Assumption Agreement ("Assignment and Assumption"), attached hereto as **Exhibit E** and made a part hereof. There are no rentals or other payments under the Licenses to prorate between Seller and Buyer as of the Closing Date.

B. Buyer acknowledges that the Property may be subject to other licenses and other third party rights that have not been identified by Seller to Buyer from Seller's review of its records. It is the responsibility of Buyer to determine if any of these unidentified rights exist. If any license that affects the Property is identified after the Closing Date, Seller's rights (including, without limitation, any income) and obligations under such license to the extent such license affects the Property will be assigned to and assumed by Buyer after Closing by Assignment and Assumption Agreement.

Section 8. As Is; Release and Indemnity.

A. As Is. Buyer and its representatives, prior to the date of Closing, will have been afforded the opportunity to make such inspections of the Property and matters related thereto as Buyer and its representatives desire. Buyer, for itself, its successors and assigns, including any successor owner of any interest in the Property, acknowledges and agrees that the Property is to be sold and quitclaimed to and accepted by Buyer in an "as is" condition with all faults. Buyer further acknowledges that the Property was used for railroad right-of-way purposes. Seller makes no representation or warranties of any kind whatsoever, either express or implied, with respect to the Property; in particular, but without limitation, Seller makes no representations or warranties with respect to the use, condition, title, occupation or management of the Property, or compliance with applicable statutes, laws, codes, ordinances, regulations, requirements, covenants, conditions and restrictions (whether or not of record). Buyer acknowledges that it is entering into this Agreement on the basis of Buyer's own investigation of the physical and environmental conditions of the Property, including the subsurface conditions, and Buyer assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation. Buyer acknowledges that notwithstanding any prior or contemporaneous oral or written representations, statements, documents or understandings, this Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and the purchase and sale of the Property and supersedes any such prior or contemporaneous oral or written representations, statements, documents or understandings.

B. Release. BUYER, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, INCLUDING ANY SUCCESSOR OWNER OF ANY INTEREST IN THE PROPERTY, HEREBY WAIVES, RELEASES, REMISES, ACQUITS AND FOREVER DISCHARGES SELLER, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS AND ASSIGNS, OF AND FROM

ANY AND ALL CLAIMS, SUITS, ACTIONS, CAUSES OF ACTION, DEMANDS, RIGHTS, DAMAGES, COSTS, EXPENSES, PENALTIES, FINES OR COMPENSATION WHATSOEVER, DIRECT OR INDIRECT, WHICH BUYER NOW HAS OR WHICH BUYER MAY HAVE IN THE FUTURE ON ACCOUNT OF OR IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THE KNOWN OR UNKNOWN PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION IN, ON, UNDER OR ADJACENT TO THE PROPERTY BY ANY HAZARDOUS OR TOXIC SUBSTANCE OR MATERIAL), OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE TOXIC SUBSTANCES CONTROL ACT, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE RESOURCE CONSERVATION AND RECOVERY ACT. THE FOREGOING SHALL APPLY REGARDLESS OF ANY NEGLIGENCE OR STRICT LIABILITY OF SELLER, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS OR ASSIGNS.

C. Indemnity. FROM AND AFTER CLOSING, BUYER SHALL, TO THE MAXIMUM EXTENT PERMITTED BY LAW, INDEMNIFY, DEFEND AND SAVE HARMLESS SELLER, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, CAUSES OF ACTION, LEGAL OR ADMINISTRATIVE PROCEEDINGS, CLAIMS, DEMANDS, FINES, PUNITIVE DAMAGES, LOSSES, COSTS, LIABILITIES AND EXPENSES, INCLUDING ATTORNEY'S FEES, IN ANY WAY ARISING OUT OF OR CONNECTED WITH THE KNOWN OR UNKNOWN PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION IN, ON, UNDER OR ADJACENT TO THE PROPERTY BY ANY HAZARDOUS OR TOXIC SUBSTANCE OR MATERIAL), OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE TOXIC SUBSTANCES CONTROL ACT, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE RESOURCE CONSERVATION AND RECOVERY ACT. THE FOREGOING SHALL APPLY REGARDLESS OF ANY NEGLIGENCE OR STRICT LIABILITY OF SELLER, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS OR ASSIGNS.

D. General Allocation of Environmental Responsibility. With respect to any existing or future environmental contamination of the soil and/or groundwater in, on or under the Property, from and after Closing, Buyer, for itself, its successors and assigns, including any successor owner of any interest in the Property, at no cost to Seller, agrees to be solely responsible for conducting any investigation, monitoring, remediation, removal, response or other action required by any governmental agency, court order, law or regulation or otherwise necessary to make the Property suitable for Buyer's use of the Property.

E. Additional and Independent Consideration. The release, indemnity and general allocation of environmental responsibility by Buyer are additional and independent consideration to Seller for the sale and purchase of the Property, without which Seller would not sell the Property for the Purchase Price.

Section 9. Notices.

A. Any notices required or desired to be given under this Agreement shall be in writing and personally served, given by overnight express delivery, or given by mail. Any notice given by mail shall be sent, postage prepaid, by certified mail, return receipt requested, addressed to the party to receive at the following address or at such other address as the party may from time to time direct in writing:

Seller: UNION PACIFIC RAILROAD COMPANY
Attn: Rick L. Harris, Manager – Real Estate (2805-15)
1400 Douglas Street, Mail Stop 1690
Omaha, Nebraska 68179
Telephone: (402) 544-8588
Email: rharris@up.com

with copy to: UNION PACIFIC RAILROAD COMPANY
Attn: Madeline E. Roebke, Senior General Attorney
1400 Douglas Street, Mail Stop 1580
Omaha, Nebraska 68179
Telephone: (402) 544-1121
Email: meroebke@up.com

Buyer: CITY OF SHEBOYGAN
Attn: Mayor Michael Vandersteen
828 Center Avenue, Suite 301
Sheboygan, Wisconsin 53081
Telephone: (920) 459-3317
Email: mayor.vandersteen@sheboyganwi.gov

with copy to: CITY OF SHEBOYGAN
Attn: Charles C. Adams, City Attorney
828 Center Avenue, Suite 301
Sheboygan, Wisconsin 53081
Telephone: (920) 459-3917
Email: charles.adams@sheboyganwi.gov

B. Express delivery notices shall be deemed to be given upon receipt. Postal notices shall be deemed to be given three (3) days after deposit with the United States Postal Service.

Section 10. Assignment.

Buyer shall not transfer or assign this Agreement or any interest therein, without the consent in writing of Seller, and it is agreed that any such transfer or assignment, whether voluntary,

by operation of law or otherwise, without such consent in writing, shall be absolutely void and shall, at the option of Seller, terminate this Agreement.

Section 11. Waiver of Breach.

A waiver by either party hereto of a breach of the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

Section 12. Time of the Essence.

Time is of the essence of this Agreement.

Section 13. Law Governing.

This Agreement shall be governed in all respects by the laws of the State of Wisconsin.

Section 14. Merger.

The terms, provisions, covenants and conditions herein contained shall merge into the deed to be delivered by Seller to Buyer at closing and shall not survive the closing of escrow, except for the provisions of Sections 3, 4.A, 4.B, 6.B, 7.B, 8, 15, and 17.

Section 15. No Brokers.

The negotiations relative to this Agreement and the transactions contemplated hereby have been carried on by the parties without the intervention of any person which would give rise to any valid claim against either of the parties hereto for brokerage commissions or other like payment. Each party hereto shall indemnify and hold harmless the other party against and from any and all claims for brokerage commission or other like payment arising out of the transaction contemplated by this Agreement and occasioned by the actions of such indemnifying party.

Section 16. Successors and Assigns.

Subject to the provisions of Section 10, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

Section 17. Certification of Non-Foreign Status.

Seller, Federal ID No. 94-6001323, is not a foreign corporation and withholding of Federal Income Tax from the amount realized will not be made by Buyer. A Certification prepared

in conformance with IRS regulations under Section 1445 of the Internal Revenue Code is attached hereto as **Exhibit F** and made a part hereof.

Section 18. No Tax Advice.

Seller and Buyer acknowledge and agree that they have not received and are not relying upon tax or other advice from the other party to this Agreement, and that they have and will continue to consult their own advisors.

Section 19. Not An Offer.

The submission of this Agreement to Buyer for review or signature does not constitute an offer to sell the Property to Buyer or the granting of an option or other rights with respect to the Property to Buyer. No agreement with respect to the purchase and sale of the Property shall exist, and this writing shall have no binding force or effect, until executed and delivered by both Seller and Buyer.

Section 20. Severability.

In the event that any of the provisions of this Agreement shall be held to be invalid or unenforceable by a court of competent jurisdiction under applicable law, the remaining portions hereof shall remain in full force and effect and such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed to the extent necessary to make such provision valid and enforceable.

Section 21. Entire Agreement.

It is understood and agreed that all understandings and agreements, whether written or oral, heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely expresses their agreement, that neither party is relying upon any statement or representation not embodied in this Agreement, made by the other, and that this Agreement may not be changed except by an instrument in writing signed by both parties.

(Signature page to follow)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Printed Name: Chris D. Goble
Title: Assistant Vice President – Real Estate

CITY OF SHEBOYGAN,
a Municipal corporation of the State of Wisconsin

By: _____
Printed Name: Michael J. Vandersteen
Title: Mayor

Attest: _____
Printed Name: Meredith DeBruin
Title: City Clerk

EXHIBIT A

PRINT OF THE LAND
(TO BE ATTACHED)

EXHIBIT B

FORM OF JOINT NOTICE AND STATEMENT OF WILLINGNESS

_____, 201_

VIA E-FILE
The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 "E" Street, S.W., Room #100
Washington, DC 20423-0001

JOINT NOTICE OF INTERIM TRAIL USE / RAIL BANKING AGREEMENT BETWEEN UNION PACIFIC RAILROAD COMPANY AND CITY OF SHEBOYGAN IN ACCORDANCE WITH 49 C.F.R. 1152.29(h)

Re: Abandonment of and Discontinuance of Service on the Sheboygan Passenger Line from M.P. 148.2 to M.P. 149.5 near Sheboygan, Sheboygan County, Wisconsin; STB Docket No. _____ (Sub-No. _____)

Dear Ms. Brown:

Union Pacific Railroad Company ("Union Pacific") and the City of Sheboygan (the "City") have entered into a trail use/rail banking agreement (the "Trail Use Agreement") covering the rail line from Milepost 148.2 to Milepost 149.5 near Sheboygan, Sheboygan County, Wisconsin on Union Pacific's former _____ Subdivision (the "Line"). Attached to this Joint Notice as **Exhibit A** is a map depicting an accurate description of the Line, including mileposts, that is the subject of said Trail Use Agreement. In accordance with the requirements of 49 C.F.R. 1152.29(h), Union Pacific and the City hereby certify that the Trail Use Agreement includes provisions requiring the trail sponsor, the City, to fulfill the responsibilities described at 49 C.F.R. 1152.29(a)(3). A copy of the City's Statement of Willingness to Assume Financial Responsibility under the Trail Use Agreement is attached hereto as **Exhibit B** and is hereby made a part hereof.

Sincerely,

UNION PACIFIC RAILROAD COMPANY

By: _____
Printed Name: _____
Title: _____

Sincerely,

CITY OF SHEBOYGAN

By: _____
Printed Name: _____
Title: _____

Enclosures

cc: _____
_____

EXHIBIT A
TO FORM OF JOINT NOTICE AND STATEMENT OF WILLINGNESS

PRINT/DEPICTION OF THE LINE
(TO BE ATTACHED)

EXHIBIT B
TO FORM OF JOINT NOTICE AND STATEMENT OF WILLINGNESS

CITY OF SHEBOYGAN
STATEMENT OF WILLINGNESS TO ASSUME FINANCIAL RESPONSIBILITY UNDER THE TRAIL USE AGREEMENT

City of Sheboygan (the "City") acquired the Line as defined below on _____, 201_ under a Purchase and Sale Agreement between Union Pacific Railroad Company and the City dated _____, 201_.

In order to establish interim trail use and rail banking under 16 U.S.C. 1247(d) and 49 CFR 1152.29 with respect to the right-of-way owned by Union Pacific Railroad Company [see Discontinuance of Service _____ (Sub-No. _____)], the City hereby represents to the Surface Transportation Board and Union Pacific Railroad Company that the City assumes responsibility for (1) managing the right-of-way, (2) any legal liability arising out of the transfer or use of the right-of-way (unless the sponsor is immune from liability, in which case it need only indemnify Union Pacific Railroad Company against any potential liability), and (3) the payment of any and all taxes that may be levied or assessed against the right of way. The right of way is known as the Sheboygan Passenger Line from Milepost 148.2 to Milepost 149.5 near Sheboygan, Sheboygan County, Wisconsin (the "Line"). The right-of-way is part of a line of railroad proposed for abandonment by Union Pacific Railroad Company in Docket No. _____ (Sub No. _____). A map of the property depicting the right-of-way is attached hereto as **Exhibit A** and is hereby made a part hereof.

The City acknowledges that use of the right-of-way is subject to the City's continuing to meet its responsibilities described above and subject to possible future reconstruction and reactivation of the right-of-way for rail service. A copy of this statement is being served on the railroad on the same date it is being served on the Surface Transportation Board.

CITY OF SHEBOYGAN

By: _____
Title: _____

Agreed to and acknowledged by Union Pacific Railroad Company this _____ day of _____, 201_.

By: _____
Printed Name: Chris D. Goble
Title: Assistant Vice President – Real Estate

EXHIBIT C

FORM OF QUITCLAIM DEED

Document Number	QUITCLAIM DEED

COVER SHEET
FOR
RECORDATION
OF
QUITCLAIM DEED
FROM
UNION PACIFIC RAILROAD COMPANY
TO
CITY OF SHEBOYGAN

Recording Area

Name and Return Address

Parcel Identification Number (PIN)
(When applicable)

QUITCLAIM DEED

KNOW ALL MEN BY THESE PRESENTS:

That **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation (formerly known as Southern Pacific Transportation Company, a Delaware corporation, successor in interest through merger with Union Pacific Railroad Company, a Utah corporation) ("Grantor"), in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration to it duly paid, the receipt whereof is hereby acknowledged, has remised, released and quitclaimed, and by these presents does REMISE, RELEASE and forever QUITCLAIM unto **CITY OF SHEBOYGAN**, a Municipal corporation of the State of Wisconsin, whose address is 828 Center Avenue, Suite 301, Sheboygan, Wisconsin 53081 ("Grantee"), its successors and assigns, forever, all of its right, title, interest, estate, claim and demand, both at law and in equity, of, in and to the real estate situate in Sheboygan County, State of Wisconsin, more particularly described in **Exhibit A**, attached hereto and made a part hereof ("Property").

EXCEPTING from this quitclaim and RESERVING unto Grantor, its successors and assigns, forever, all minerals and all mineral rights of every kind and character now known to exist or hereafter discovered, including, without limiting the generality of the foregoing, oil and gas and rights thereto, together with the sole, exclusive and perpetual right to explore for, remove and dispose of, said minerals by any means or methods suitable to Grantor, its successors and assigns, but without entering upon or using the surface of the lands hereby quitclaimed, and in such manner as not to damage the surface of said lands or to interfere with the use thereof by Grantee, its successors or assigns.

The Property is quitclaimed by Grantor subject to the following covenants, conditions and restrictions which Grantee, by the acceptance of this Quitclaim Deed, shall covenant for itself, its successors and assigns, faithfully to keep, observe and perform:

(a) Restriction on Use. Grantee, its successors and assigns, may use the Property for hike and bike trail purposes (including, but not limited to, structures constructed on paved ground that support the trail use, such as water fountains, restrooms and benches). Without limitation of the foregoing, the Property must not be used for any of the following purposes: (i) residential; (ii) lodgings or accommodations (including, without limitation, hotels, motels, boarding houses, dormitories, hospitals, nursing homes, or retirement centers); or (iii) cultural, educational, or child-care facilities (including, without limitation, schools, kindergartens, day-care centers, gymnasiums, athletic fields, picnic grounds or parks). Notwithstanding any other provision herein, the terms "picnic grounds" and "parks" expressly do not prohibit structures constructed on paved ground that support the hike and bike trail use as described herein.

(b) If rail service on the Property is reactivated pursuant to the National Trails System Act, then Grantor shall have the right of first refusal to repurchase the Property for the then-current fair market value of the Property (including all improvements thereon) as determined by appraisal.

The foregoing and following covenants, conditions, restrictions and obligations shall run with the Property, the burdens of which will be binding on the successors and assigns of Grantee, and the benefits of which will inure to the successors and assigns of Grantor. A breach of the foregoing and following covenants, conditions, restrictions and obligations, or the continuance thereof, may, at the option of Grantor, its successors or assigns, be enjoined, abated or remedied by appropriate proceedings.

Environmental Covenants:

(a) "As Is" Sale. Grantee, for itself, its successors and assigns, including any successor owner of any interest in the Property, acknowledges and agrees that the Property has been sold and quitclaimed to and accepted by Grantee in an "AS IS" condition, with all faults, and Grantee acknowledges that the Property may have been used for railroad right-of-way and other commercial or industrial purposes, among other uses. Grantee acknowledges and agrees that any information Grantee may have received from Grantor or its agents concerning the Property (including, but not limited to, any lease or other document, engineering study or environmental assessment) was furnished on the condition that Grantee would make an independent verification of the accuracy of the information. Grantor does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to the Property; in particular, without limitation, Grantor makes no representations or warranties with respect to the use, condition, title, occupation or management of the Property, or compliance with applicable statutes, laws, codes, ordinances, regulations, requirements (collectively, "Condition of the Property"). Grantee acknowledges and agrees that the Property has been sold and quitclaimed on the basis of Grantee's own independent investigation of the physical and environmental conditions of the Property. Grantee assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

(b) Release. GRANTEE, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, INCLUDING ANY SUCCESSOR OWNER OF ANY INTEREST IN THE PROPERTY, HEREBY RELEASES GRANTOR, AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, INDEMNIFIES, DEFENDS AND SAVES HARMLESS GRANTOR, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, CAUSES OF ACTION, LEGAL OR ADMINISTRATIVE PROCEEDINGS, CLAIMS, DEMANDS, FINES, PUNITIVE DAMAGES, LOSSES, COSTS, LIABILITIES AND EXPENSES, INCLUDING ATTORNEYS'

FEES, IN ANY WAY ARISING OUT OF OR CONNECTED WITH THE KNOWN OR UNKNOWN CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION IN, ON, UNDER OR ADJACENT TO THE PROPERTY BY ANY HAZARDOUS OR TOXIC SUBSTANCE OR MATERIAL), OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE TOXIC SUBSTANCES CONTROL ACT, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE RESOURCE CONSERVATION AND RECOVERY ACT. THE FOREGOING SHALL APPLY REGARDLESS OF ANY NEGLIGENCE OR STRICT LIABILITY OF GRANTOR, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS OR ASSIGNS.

(c) Indemnity. GRANTEE SHALL, TO THE MAXIMUM EXTENT PERMITTED BY LAW, INDEMNIFY, DEFEND AND SAVE HARMLESS GRANTOR, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, CAUSES OF ACTION, LEGAL OR ADMINISTRATIVE PROCEEDINGS, CLAIMS, DEMANDS, FINES, PUNITIVE DAMAGES, LOSSES, COSTS, LIABILITIES AND EXPENSES, INCLUDING ATTORNEY'S FEES, IN ANY WAY ARISING OUT OF OR CONNECTED WITH THE KNOWN OR UNKNOWN PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION IN, ON, UNDER OR ADJACENT TO THE PROPERTY BY ANY HAZARDOUS OR TOXIC SUBSTANCE OR MATERIAL), OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE TOXIC SUBSTANCES CONTROL ACT, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE RESOURCE CONSERVATION AND RECOVERY ACT. THE FOREGOING SHALL APPLY REGARDLESS OF ANY NEGLIGENCE OR STRICT LIABILITY OF GRANTOR, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS OR ASSIGNS.

(d) General Allocation of Environmental Responsibility. With respect to any existing or future environmental contamination of the soil and/or groundwater in, on or under the Property, from the date of this Deed Without Warranty, Grantee, at no cost to Grantor, agrees to be solely responsible for conducting any investigation, monitoring, remediation, removal, response or other action required by any governmental agency, court order, law or regulation or otherwise necessary to make the Property suitable for Grantee's use of the Property.

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, Grantor has caused these presents to be signed by its duly authorized officers and its corporate seal to be hereunto affixed the _____ day of _____, 2019.

Attest:

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

_____
Assistant Secretary

By: _____
Name: Chris D. Goble
Title: Assistant Vice President – Real Estate

(Seal)

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Chris D. Goble and _____, Assistant Vice President – Real Estate and Assistant Secretary of UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

_____
Notary Public

(Seal)

Grantee hereby accepts this Quitclaim Deed and agrees for itself, its successors and assigns, to be bound by the covenants set forth herein.

Dated this _____ day of _____, 2019.

CITY OF SHEBOYGAN,
a Municipal corporation of the State of Wisconsin

By: _____
Its: _____

STATE OF WISCONSIN)
) ss.
COUNTY OF SHEBOYGAN)

On _____, 2018, before me, _____, Notary Public in and for said County and State, personally appeared _____, _____ of the CITY OF SHEBOYGAN, a Municipal corporation of the State of Wisconsin, and who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to in the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public

(Seal)

EXHIBIT A
TO FORM OF QUITCLAIM DEED

EXHIBIT D

FORM OF QUITCLAIM BILL OF SALE

UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Seller"), for and in consideration of One Dollar ($1.00) and other valuable consideration does hereby REMISE, RELEASE, and forever QUITCLAIM to **CITY OF SHEBOYGAN**, a Municipal corporation of the State of Wisconsin ("Buyer"), all of Seller's right, title and interest in and to the following described personal property, to wit:

> Any ballast and any materials related thereto located upon certain real property located in Sheboygan County, State of Wisconsin, described in **Exhibit A**, attached hereto and made a part hereof, (collectively, the "Personal Property").

SELLER, BY THIS INSTRUMENT, MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AND FURTHER MAKES NO WARRANTY AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING UNDERSTOOD THAT THE PERSONAL PROPERTY IS BEING QUITCLAIMED TO BUYER IN AN "AS IS" AND "WHERE IS" CONDITION WITH ALL FAULTS, AND ASSUMES ALL RISKS IN CONNECTION THEREWITH, ACKNOWLEDGING THAT BUYER HAS EXAMINED THE PERSONAL PROPERTY AND KNOWS ITS CONDITION.

Seller does not convey or intend to convey by this Quitclaim Bill of Sale any right, title, estate or interest whatsoever in or to the real property on which the Personal Property is situated.

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, Seller and Buyer have each duly executed this instrument as of the _____ day of _____, 201_.

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Printed Name: Chris D. Goble
Title: Assistant Vice President – Real Estate

CITY OF SHEBOYGAN,
a Municipal corporation of the State of Wisconsin

By: _____
Printed Name:
Title:

EXHIBIT A
TO FORM OF QUITCLAIM BILL OF SALE

EXHIBIT E

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

FOR VALUE RECEIVED, **UNION PACIFIC RAILROAD COMPANY,** a Delaware corporation ("Assignor"), ASSIGNS AND TRANSFERS to **CITY OF SHEBOYGAN,** a Municipal corporation of the State of Wisconsin ("Assignee"), its successors and assigns, all of Assignor's right, title and interest in and to the license agreements listed on **Exhibit A,** attached hereto and made a part hereof (the "Licenses"), to the extent the Licenses affect the real property legally described in **Exhibit B,** attached hereto and made a part hereof (the "Property").

Assignee agrees to (a) perform all of the obligations of Assignor pursuant to the Licenses as they relate to Property accruing on and after the date of this Assignment and Assumption, and (b) indemnify, defend and hold Assignor harmless from and against any and all claims, causes of actions and expenses (including reasonable attorney's fees) incurred by Assignor and arising out of Assignee's failure to comply with terms of the Licenses as they relate to the Property by the licensees or lessees named in the Licenses accruing on or after the date of this Assignment and Assumption.

This Assignment and Assumption is made and accepted without recourse against Assignor as to the performance by any party under such Licenses.

Dated the _____ day of _____, 201_.

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Printed Name: Chris D. Goble
Title: Assistant Vice President – Real Estate

CITY OF SHEBOYGAN,
a Municipal corporation of the State of Wisconsin

By: _____
Printed Name:
Title:

EXHIBIT A
TO FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

AUDIT	FOLDER	PARTY NAME	PURPOSE	COUNTY	CITY	ST	ANNUAL AMT	DISPOSITION	CONTAINED
186513	0544-81	CHARTER COMMUNICATIONS	Encroachment - Wireline	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Totally
181857	0205-90	MEINOLF,KENNETH	Lease: Beautification/Parks	SHEBOYGAN	SHEBOYGAN	WI	$25.00	Assigned	Totally
244407	2096-77	PRIGGE'S CHARTERED BUSES, INC	Lease: Encroachment - Part of Building	SHEBOYGAN	SHEBOYGAN	WI	$4,243.00	Assigned	Totally
NWF6759		CHARTER COMMUNICATIONS	Crossing - Wireline	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Totally
272701	2854-90	CHARTER COMMUNICATIONS	Crossing - Wireline	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Totally
191828	0693-82	CITY OF SHEBOYGAN / WI. D.O.T.	Crossing - Pipeline	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Partially
NW13074		STATE OF WISCONSIN	Crossing Public Roadway Grade Separation	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Totally
NWX4427	2623-27	WISCONSIN HWY. COMMISSION	Crossing Public Roadway Grade Separation	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Totally
NW12035	2623-32	STATE OF WISCONSIN	Crossing Public Roadway Grade Separation	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Totally
182085	0091-86	WISCONSIN POWER & LIGHT COMPANY	Crossing - Wire Line Master	SYSTEM	SYSTEM	WI	$0.00	Assigned	Partially
NWX5906		WISCONSIN POWER & LIGHT CO.	Crossing - Wireline	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Partially
208081	0450-54	WISCONSIN POWER & LIGHT CO	Crossing - Wireline	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Partially
NWE3452		VAN DER VAART BRICK & BLDG	Crossing - Pipeline	SHEBOYGAN	SHEBOYGAN	WI	$0.00	Assigned	Totally

EXHIBIT B
TO FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

EXHIBIT F

FORM OF CERTIFICATION OF NON-FOREIGN STATUS

Under Section 1445(e) of the Internal Revenue Code, a corporation, partnership, trust, or estate must withhold tax with respect to certain transfers of property if a holder of an interest in the entity is a foreign person. To inform the transferee, CITY OF SHEBOYGAN, a Municipal corporation of the State of Wisconsin, that no withholding is required with respect to the transfer of a U.S. real property interest by UNION PACIFIC RAILROAD COMPANY, the undersigned hereby certifies the following on behalf of UNION PACIFIC RAILROAD COMPANY:

1. UNION PACIFIC RAILROAD COMPANY is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. UNION PACIFIC RAILROAD COMPANY is not a disregarded entity as defined in Section 1.445.2(b)(2)(iii) of the Internal Revenue Code;

3. UNION PACIFIC RAILROAD COMPANY'S U.S. employer identification number is 94-6001323; and

4. UNION PACIFIC RAILROAD COMPANY'S office address is 1400 Douglas Street, Omaha, Nebraska 68179, and place of incorporation is Delaware.

UNION PACIFIC RAILROAD COMPANY agrees to inform the transferee if it becomes a foreign person at any time during the three year period immediately following the date of this notice.

UNION PACIFIC RAILROAD COMPANY understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of UNION PACIFIC RAILROAD COMPANY.

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Printed Name: Chris D. Goble
Title: Assistant Vice President – Real Estate
Date: _____

III

Res. No. _____ - 19 - 20. By Alderpersons Donohue and Bohren. May 6, 2019.

A RESOLUTION approving the FY 2019 One-Year Annual Action Plan for the Community Development Block Grant (CDBG) Program Submission.

WHEREAS, $892,414 in entitlement Community Development Block Grant (CDBG) funds has been awarded in 2018 from the U.S. Department of Housing and Urban Development (HUD) to the City of Sheboygan for community development and housing activities; and

WHEREAS, the Finance and Personnel Committee has recommended to the Common Council that it approve the Final Statement of Community Development Objectives and Proposed Use of Funds; and

WHEREAS, the Finance and Personnel Committee further recommends to the Common Council that it authorize and direct the Mayor to execute all documents for the FY 2019 Community Development Block Grant submission, including the various certifications for the funds; and

WHEREAS, the following requests were made to the City of Sheboygan through a Request for Proposals process from public service agencies:

Partners for Community Development	$25,000 (Housing)
Salvation Army	$50,000 (Public Service)
Safe Harbor	$10,000 (Public Service)
Lakeshore Community Health Center	$ 3,000 (Public Service)
SCIO	$10,000 (Public Service)
Shoreline Metro	$42,493 (Public Service)
Family Service Association	$20,000 (Public Service)
Family Connections	$ 5,000 (Public Service)
Lakeshore CAP	$19,250 (Public Service)

and

WHEREAS, federal law allows for the expenditure on public service activities not to exceed 15 percent of the annual allocation or $133,000, excluding housing activities. The above public service requests total $159,743. The Finance and Personnel Committee needs to determine the recommended allocation amounts that total $133,000. Housing activities are exempt from the 15 percent cap; and

Finance + Personnel

WHEREAS, the following projects have been budgeted to utilize the remaining CDBG funds:

Library Plaza Updates	$247,311
Downtown Playground	$ 30,000
Painting of Railings	$131,300
Historic Preservation	$100,000
Streetscaping	$ 72,320
Program Administration	$178,483

and

WHEREAS, the Common Council has reviewed and hereby approves the Citizens Participation Plan for the development of this submission; and

WHEREAS, the Common Council finds that it is in the City's best interest to secure the FY 2019 funds for the activities approved by the Finance and Personnel Committee.

NOW, THEREFORE, BE IT RESOLVED: That the Common Council authorizes and directs the Mayor to submit to HUD the Final Statement of Community Development Objectives and Proposed Use of Funds listed below as recommended by the Finance and Personnel Committee along with the assurances contained therein, and to provide any other information requested by HUD:

FINANCE & PERSONNEL RECOMMENDATIONS

Partners for Community Development	$	(Housing)
Salvation Army	$	(Public Service)
Safe Harbor	$	(Public Service)
Lakeshore Community Health Center	$	(Public Service)
SCIO	$	(Public Service)
Shoreline Metro	$	(Public Service)
Family Service Association	$	(Public Service)
Family Connections	$	(Public Service)
Lakeshore CAP	$	(Public Service)

_____

_____

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

	HOUSING	PUBLIC SERVICE							
SCORING CRITERIA	Partners for Community Dev.*	Family Connection	Salvation Army	Safe Harbor	SCIO	Shoreline Metro	Lakeshore Community Health Clinic	Family Service Assoc	Lakeshore CAP
Is the Application Complete?	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
2019 Funding Request	**$25,000**	**$5,000**	**$50,000**	**$10,000**	**$10,000**	**$42,493**	**$3,000**	**$20,000**	**$19,250**
2018 Funding Awarded	$25,000	$5,000	$49,706	$10,000	$5,000	$42,493	$3,000	$15,000	NA
2018 PROPOSED	$25,000	$5,000	$50,000	$10,000	$5,000	$42,493	$3,000	$15,000	NA
What is the proposed activity?	Housing down payment & weatherization	Child Care Paymets & Fee	Emergency Shelter	Emergency Shelter	Bridgeway & Beyond	Saturday and Evenings	Health Serv. & transportation	Rent Smart & Home Buyer	Supportive Housing Programs
Does the activity meet a national objective?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the applicant provide written doc. re:income verification with sample data?	Yes	Yes	yes	yes	Yes	Yes	Yes	yes	Yes
Does the applicant have a plan for sustainability?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Is the proposed activity a new service or existing service or an increase in the level of services	Existing Service	Existing Service	Existing Service	Existing Service	Existing Service	Existing Service	Existing Service	New	New
Is the activity addressing a need in the community?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
What is the number of persons that will benefit from the proposed activity?	250	60	400	100	10 households	1050	1000	320	360
Quarterly Reports completed and submitted?	YES	YES	YES	1st -3rd	1st -3rd	1st -3rd	YES	1st -3rd	NA

	2019 Requests
Totals for Public Service	$159,743
Totals for Housing	$25,000
Totals for Public Facilities	$0

FUNDING AVAILABILITY	
2011 15% Cap	$147,500
2012 15% Cap	$119,368
2013 15% Cap	$118,000
2014 15% Cap	$115,992
2015 15% Cap	$122,009
2016 15% Cap	$119,461
2017 15% Cap	$118,804
2018 15% Cap	$130,000
2019 15% Cap	$133,000

III

Res. No. ___ - 19 - 20. By Alderpersons Sorenson and Mitchell.
May 6, 2019.

A RESOLUTION authorizing the Purchasing Agent to issue a purchase order for the purchase of a Battalion Chief vehicle for the Sheboygan Fire Department.

WHEREAS, there is funding in the 2019 Capital Improvements Budget for the purchase of, among other things, one (1) full size four-wheel drive pickup truck with fiberglass cap to be used as a command vehicle; and

WHEREAS, state law and the City's Procurement Policy allows the City to join with other units of government in cooperative purchasing plans when the best interest of the City would be served; and

WHEREAS, the State of Wisconsin has a number of cooperative purchasing agreements, which municipalities may use to take advantage of competitive, pre-negotiated prices; and

WHEREAS, having reviewed the State of Wisconsin's cooperative purchasing agreements for the purchase of vehicles, City staff believes, and the Council agrees that this is the best procurement method for this purchase; and

WHEREAS, once the Vehicle has been received, the vehicle that is being replaced will be put to public auction.

NOW, THEREFORE, BE IT RESOLVED: That the Purchasing Agent is authorized to issue a Purchase Order to Ewald Automotive Group of Oconomowoc, Wisconsin for the purchase of: One (1) 2019 model Ford F-150 4WD Pickup with Fiberglass Cargo cap.

BE IT FURTHER RESOLVED: That the Council understands that this Purchase Order will be subject to the terms and conditions set forth in the State of Wisconsin's cooperative purchase agreement (Contract Number 505ENT-M19-2019VEHICS-04), a copy of which is available at vendornet.wi.gov.

JHPS

BE IT FURTHER RESOLVED: That the appropriate City Officials are hereby authorized to draw funds in the amount of $34,845.00, which includes license and title fees, from the 2019 Capital Improvement Fund - Vehicles Account No. 47822100-641100 for the purchase of the Vehicle and its associated license and title fees.

_____

_____

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

III

Res. No. _____ - 19 - 20. By Alderpersons Wolf and Sorenson. May 6, 2019.

A RESOLUTION authorizing the appropriate City officials to execute the Amendment to Agreement Between the Mid-Lake Softball Organization, Inc. and the City of Sheboygan.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Amendment to Agreement Between the Mid-Lake Softball Organization, Inc. and the City of Sheboygan, a copy of which is attached hereto and incorporated herein.

_____

_____

Public Works

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

AMENDMENT TO
AGREEMENT BETWEEN
THE MID-LAKE SOFTBALL ORGANIZATION, INC.
AND
THE CITY OF SHEBOYGAN

This Amendment amends the Agreement between the Mid-Lake Softball Organization, Inc. ("Mid-Lake") and the City of Sheboygan ("City") ("Agreement"). The Agreement was originally executed on February 6, 2015. Except as specified herein, the Agreement remains unchanged and in full force and effect.

The parties hereto are the parties to the Agreement and, for good and valuable consideration, mutually agree to the following amendment to the Agreement:

1. Section 2(e) of the Agreement stated: "[Mid-Lake] shall utilize their best efforts to return to the City, each year, [twenty percent (20%)] or more of the gross revenues from [Mid-Lake]'s operation of the Wildwood Softball Complex during that year, which said funds shall be held by the City for use exclusively for softball facility improvements as approved by the City."
2. As of the effective date of this Amendment, Mid-Lake has not yet returned any gross revenue from their 2017 or 2018 operations at Wildwood Softball Complex to the City. The Initial Deposit found in Paragraph 3 of this Amendment shall constitute Mid-Lake's "best efforts to return" a portion of Mid-Lake's gross revenue from its 2017 and 2018 operations, to be used for improvements to Wildwood Softball Complex.
3. For purposes of the 2017, 2018, and 2019 operations at Wildwood Softball Complex, Section 2(e) of the Agreement shall be amended to state, in its entirety:

> Within three (3) business days of the approval of the Amendment by the Common Council of the City of Sheboygan, Mid-Lake shall create a segregated Improvements Fund, separate and distinct from any bank accounts used for Mid-Lake's operational revenue and expenditure, and shall deposit at least Twenty Thousand Dollars ($20,000) in that Improvements Fund ("Initial Deposit"). On or before November 1, 2019, Mid-Lake shall deposit an additional Ten Thousand Dollars ($10,000) in that Improvements Fund ("2019 Deposit"). Mid-Lake shall provide the City with proof of compliance regarding the creation of the Improvements Fund and the deposits required for the Initial Deposit and the 2019 Deposit within three (3) business days of when it creates the

Improvements Fund and when it makes the Initial Deposit and the 2019 Deposit.

Mid-Lake may only withdraw funds from the Improvements Fund for capital expenses. All withdrawals must be approved by the City's Director of Public Works or the designee of the City's Director of Public Works (collectively "City's Director") in advance. Mid-Lake shall provide all details reasonably requested by the City's Director related to the expenditure in order for the City's Director to evaluate the request. Depending on the nature of the proposed expenditure, the City's Director may need to report the proposed withdrawal to the Common Council of the City of Sheboygan ("Common Council") or the Public Works Committee of the Common Council ("Public Works Committee") prior to being able to approve the proposed expenditure. For the avoidance of doubt, the City shall have no liability to Mid-Lake if the price of a proposed expenditure increases as a result of the passage of time while the City is reviewing the proposed expenditure.

On or before November 1, 2019, and within five (5) days of a request from the City's Director, Mid-Lake shall make its financial records, as they exist at that time, available to the City for inspection. In addition, following a request from the City's Director, Mid-Lake will have—at its sole expense—an audited financial report prepared and submitted to the City.

In addition to any other action or inaction which could constitute a default under this Agreement, the following shall each constitute a default: (1) failure to timely create, make, or provide proof of the Initial Deposit or the 2019 Deposit (time being of the essence); (2) an unauthorized expenditure from the Improvements Fund; and (3) the failure to make its financial records available to the City pursuant to this section (time being of the essence). A default of this section shall permit the City's Director—in addition to any other remedy in law or equity—to terminate this Agreement as provided under Section 16 of the Agreement, except that a default of this section shall only require seven (7) days notice.

In the event the Agreement is terminated prior to December 31, 2019 or Mid-Lake ceases to conduct operations at Wildwood Softball Complex for any reason, the Improvements Fund shall

revert to the City to be used for expenditures related to Wildwood Softball Complex.

4. For the avoidance of doubt, the amendment to Section 2(e) stated above shall have no effect on operations at Wildwood Softball Complex prior to 2017. In other words, Section 2(e) as originally stated in the Agreement shall apply to such operations.
5. As part of the amendment to Section 2(e) incorporates what had been addressed by Section 8 of the Agreement, Section 8 shall have no additional affect on operations at Wildwood Softball Complex on or after the effective date of this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Agreement between the Mid-Lake Softball Organization, Inc. and the City of Sheboygan as of _____ ____, 2019.

CITY: **CITY OF SHEBOYGAN, WISCONSIN**

By: _____
Mike Vandersteen, Mayor

ATTEST:

By: _____
Meredith DeBruin, City Clerk

DATE: _____

MID-LAKE: **MID-LAKE SOFTBALL ORGANIZATION, INC.**

By: _____

DATE: _____

III

Res. No. _____ - 19 - 20. By Alderpersons Wolf and Sorenson. May 6, 2019.

A RESOLUTION authorizing the appropriate City Officials to enter into a Grant Agreement with the State of Wisconsin and to make necessary expenditures under that Grant Agreement in order to take advantage of the State of Wisconsin's Volkswagen Mitigation Transit Capital Assistance Grant Program.

WHEREAS, in Res. No. 79-18-19, the Sheboygan Transit Commission and the Common Council for the City of Sheboygan directed and authorized Shoreline Metro and the proper City officials to submit information to the Department of Administration to apply for funding through the State of Wisconsin Volkswagen Grant Program; and

WHEREAS, the State of Wisconsin has approved an initial award to the City in an amount not to exceed Four Hundred Fifty-one Thousand Dollars ($451,000) (the "Grant Funds") to be used to purchase a new thirty-five foot long Gillig bus ("New Bus") which will replace a 2005 thirty-foot long Gillig bus ("Bus #502") and to pay for costs associated with disposing of Bus #502; and

WHEREAS, one requirement of receiving the Grant Funds is entering into a Grant Agreement, a copy of which is attached to this Resolution; and

WHEREAS, the Grant Agreement imposes certain obligations on the City, including reporting requirements and the requirement to obtain permission from the State of Wisconsin if the City desires to dispose of the New Bus before the end of its useful life; and

WHEREAS, the Grant Agreement also requires the City to purchase the New Bus and seek reimbursement from the State of Wisconsin; and

WHEREAS, entering into the Grant Agreement and obtaining the New Bus through the Grant Program is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED: That the Director of Parking and Transit is authorized to execute the Grant Agreement on behalf of the City, to submit the Grant Agreement to the appropriate State of Wisconsin officials, and to submit all necessary documents to the State of Wisconsin as directed by the Grant Agreement.

BE IT FURTHER RESOLVED: That upon receipt of a fully executed Grant Agreement, the Director of Parking and Transit is authorized to draw funds in the amount of Four Hundred Fifty-one Thousand Dollars ($451,000) from the Capital Projects Fund - Transit - Vehicles Account No. 40093000-641100 in order to purchase the New Bus and to pay for eligible costs associated with scrapping Bus #502.

Transit

BE IT FURTHER RESOLVED: That pursuant to the Grant Agreement, no more than Four Hundred Fifty Thousand Dollars ($450,000) shall be spent on the purchase of the New Bus, and no more than One Thousand Five Hundred Dollars ($1,500) shall be spent on costs associated with scrapping Bus #502. In no event shall the total amount expended pursuant to this Resolution exceed Four Hundred Fifty-one Thousand Dollars ($451,000).

BE IT FURTHER RESOLVED: That the Director of Parking and Transit is instructed to submit all necessary documentation in order to receive reimbursement from the Grant Program as soon as is practicable.

_____

_____

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

Project ID: VW-BUS-SHEB-01

GRANT AGREEMENT
BETWEEN THE

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

DIVISION OF ENTERPRISE OPERATIONS
VOLKSWAGEN MITIGATION TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

AND

CITY OF SHEBOYGAN

THIS AGREEMENT is made and entered into by and between the Division of Enterprise Operations ("Division"), Department of Administration ("Department"), representing the State of Wisconsin (collectively "State"), and City of Sheboygan ("Grantee").

WHEREAS, §16.047(4m), Wis. Stats., provides that the Department shall establish a program to competitively award grants of Volkswagen ("VW") settlement funds from the appropriation under §20.855(4)(h), Wis. Stats. to eligible applicants for the replacement of eligible public transit vehicles; and

WHEREAS, on behalf of the State, the Department administers the Volkswagen Mitigation Transit Capital Assistance Grant Program ("Program") through the Division to provide funds for eligible activities; and

WHEREAS, City of Sheboygan is an eligible applicant under §16.047(4m), Wis. Stats.; and

WHEREAS, it is the intention of the parties to this Agreement that all activities described herein shall be for their mutual benefit; and

WHEREAS, the State has approved an initial award to Grantee in an amount not to exceed $451,500.00 for eligible activities herein described; and

WHEREAS, the terms and conditions herein shall survive the Performance Period and shall continue in full force and effect until Grantee has completed and is in compliance with all the requirements of this Agreement; and

WHEREAS, this Agreement is mutually exclusive and is distinguished from all previous Agreements between Grantee and the State and contains the entire understanding between the parties;

NOW, THEREFORE, in consideration of the mutual promises and dependent documents, the parties hereto agree as follows:

The following documents are part of this Agreement:

1) Attachment A – Statement(s) of Work (most recent version)
2) Attachment B – Reimbursement Request
3) Attachment C – Eligible and Ineligible Activities
4) Attachment D – Budget
5) Attachment E – Reporting Form

The following documents are made part of this Agreement by reference:

1) Completed Grant Application (including Appendix A)
2) Volkswagen Diesel Emissions Environmental Mitigation Trust Agreement for State Beneficiaries, Puerto Rico, and the District of Columbia (the "State Trust Agreement")
3) Grant Announcement - VW Mitigation Program Transit Capital Assistance Grant Program

CITY OF SHEBOYGAN

BY: _____
Name

TITLE: _____

DATE: _____

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

BY: _____
Joel T. Brennan

TITLE: Secretary

DATE: _____

GENERAL TERMS AND CONDITIONS

ARTICLE 1. AGREEMENT ADMINISTRATION

The Division employee responsible for the administration of this Agreement shall be Benjamin Vondra, VW Mitigation Program Administrator, Division of Enterprise Operations and who shall represent the Department's interest in review of quality, quantity, rate of progress, timeliness of services, and related considerations as outlined in this Agreement.

Grantee's employee responsible for the administration of this Agreement shall be Derek Muench, who shall represent Grantee's interest regarding Agreement performance, financial records and related considerations. The Division shall be immediately notified of any change of this designee.

ARTICLE 2. APPLICABLE LAW

This Agreement shall be governed by the Laws of the State of Wisconsin and the United States. In addition, Grantee pledges to abide by and comply with the following requirements:

1. Agreement funds shall not be used to supplant existing funding otherwise budgeted or planned for projects outside of this program whether under local, state or federal law, without the consent of the State.

2. Grantee, its agents and employees shall observe all relevant provisions of the Ethics Code for Public Officials under §19.41, Wis. Stats. *et seq* and §19.59, Wis. Stats. *et seq*.

ARTICLE 3. LEGAL RELATIONS AND INDEMNIFICATION

Grantee shall at all times comply with and observe all federal and state laws and published circulars, local laws, ordinances, and regulations which are in effect during the Performance Period of this Agreement and which in any manner affect the work or its conduct.

In carrying out any provisions of this Agreement or in exercising any power or authority contracted to Grantee thereby, there shall be no personal liability upon the State, it being understood that in such matters the Division and the Department act as agents and representatives of the State.

Grantee shall indemnify and hold harmless the State and all of its officers, agents and employees from all suits, actions or claims of any character brought for or on account of any injuries or damages received by any persons or property resulting from the operations of Grantee, or of any of its agents or subrecipients, in performing work under this Agreement.

Grantee shall indemnify and hold harmless the State and all of its officers, agents and employees from all suits, actions or claims of any character brought for or on account of any obligations arising out of agreements between Grantee and subrecipient(s) to perform services or otherwise supply products or services. Grantee shall also hold the State harmless for any audit disallowance related to the allocation of administrative costs under this Agreement, irrespective of whether the audit is ordered by federal or state agencies or by the courts.

ARTICLE 4. STATEMENT OF WORK

1. Grantee shall supply or provide for all the necessary personnel, equipment, and materials (except as may be otherwise provided herein) to accomplish the tasks set forth on any Statement of Work approved by the Division. Changes to any Statement of Work may be made only by written agreement of both the Division and Grantee.

2. Grantee shall complete all work tasks that it commits to in any approved Statement of Work. Failure to meet this requirement may result in termination of this contract under ARTICLE 11 of this contract.

3. All Statements of Work shall constitute a written amendment to this Agreement setting forth the nature and scope thereof. The State reserves the right to determine whether the scope or expenses provided in a Statement of Work are eligible under §16.047(4m), Wis. Stats. and the State Trust Agreement. Any such continuance of service which would cause compensation to exceed the total amount of this Agreement shall be contingent upon the above provision and the appropriation of necessary funds by the Legislature.

4. The Department maintains responsibility for the interpretation of terms, conditions and costs listed in the Statement of Work.

5. In the event of conflict between the provisions of the Terms and Conditions and the Statement of Work and Budget, the provisions of the Statement of Work and Budget shall prevail.

ARTICLE 5. PERIOD OF PERFORMANCE

Grantee may only incur eligible project expenses during the time period between **the date of Agreement execution by the Department** and **June 30, 2025** (the "Performance Period"). All reimbursement requests must be received by the Department during the Performance Period.

ARTICLE 6. STANDARDS OF PERFORMANCE

Grantee shall perform activities as set forth in any approved Statement of Work and described herein in accordance with those standards established by statute, administrative rule, the Division, and any applicable professional standards.

ARTICLE 7. SUBLET OR ASSIGNMENT OF AGREEMENT

Grantee, its agents, subgrantees or subcontractors shall not sublet or assign all or any part of the work under this Agreement without prior written approval of the Division. The Division reserves the right to reject any subcontractor or subgrantee after notification. Grantee shall be responsible for all matters involving any subcontractor or subgrantee engaged under this Agreement, including grant compliance, performance, and dispute resolution between itself and a subcontractor or subgrantee. The State or Division bears no responsibility for subcontractor or subgrantee compliance, performance, or dispute resolution hereunder.

ARTICLE 8. DISCLOSURE: STATE PUBLIC OFFICIALS AND EMPLOYEES

If a State public official (as defined in §19.42, Wis. Stats.) or an organization in which a State public official holds at least a 10% interest is a party to this Agreement, this Agreement shall be voided by the State unless timely, appropriate disclosure is made to the State of Wisconsin Ethics Commission, P.O. Box 7125, Madison, Wisconsin 53707-7125.

Grantee shall not engage the services of any person or persons now employed by the State, including any department, commission or board thereof, to provide services relating to this Agreement without the prior written consent of the State and the employer of such person or persons.

ARTICLE 9. NONDISCRIMINATION IN EMPLOYMENT

Grantee shall not discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in §51.01(5), Wis. Stats., sexual orientation as defined in §111.32(13m), Wis. Stats., or national origin. This includes, but is not limited to, employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, Grantee shall take affirmative action to ensure equal employment opportunities. Grantee shall post in conspicuous places, available for employees and applicants for employment, notices to be provided by the State setting forth the provisions of the nondiscrimination clause.

Failure to comply with the conditions of this clause may result in the declaration of Grantee ineligibility, the termination of this Agreement, or the withholding of funds.

ARTICLE 10. SMALL BUSINESS AND MINORITY-OWNED BUSINESSES

Grantee shall make positive efforts to utilize small business and minority-owned business sources of supplies and services. Such efforts shall allow these sources the maximum feasible opportunity to compete for contracts or subcontracts to be performed utilizing state or federal funds.

ARTICLE 11. TERMINATION AT WILL

The Division may terminate this Agreement at any time with or without cause by delivering written notice to Grantee by Certified Mail, Return Receipt Requested, not less than 30 days prior to the effective date of termination. Date of receipt as indicated on the Return Receipt shall be the effective date of notice of termination. Upon termination, the State's liability shall be limited to the actual costs incurred in carrying out the project as of the date of termination plus any termination expenses having prior written approval of the State.

Grantee may terminate this Agreement with or without cause by delivering written notice to the Division by Certified Mail, Return Receipt Requested, not less than 30 days prior to effective date of termination. Date of receipt, as indicated on the Return Receipt, shall be the effective date of notice of termination. Upon receipt of termination notice, Grantee shall make available to the Division program records, equipment, and any other programmatic materials. In the event the Agreement is terminated by either party, for any reason whatsoever, Grantee shall refund to the Division within forty-five (45) days of the effective date of notice of termination any payment made by the Division to Grantee which exceeds actual approved costs incurred in carrying out the project as of the date of termination.

ARTICLE 12. TERMINATION FOR NONAPPROPRIATION

The State reserves the right to terminate this Agreement in whole or in part without penalty due to nonappropriation of necessary funds by the Legislature.

ARTICLE 13. FAILURE TO PERFORM

The State reserves the right to suspend payment of funds if required reports are not provided to the State on a timely basis or if performance of grant activities is not evidenced. The State further reserves the right to suspend payment of funds under this Agreement if there are deficiencies related to the required reports or if performance of contracted activities is not evidenced on other contracts between the State and Grantee in whole or in part.

Grantee's management and financial capability including, but not limited to, audit results and performance may be taken into consideration in any or all future determinations by the State and may be a factor in a decision to withhold payment and may be cause for termination of this Agreement.

ARTICLE 14. PUBLICATIONS

Grantee may, but is not required to, acknowledge the financial assistance provided by the Department in any report, study, video, website or other document resulting from this contract.

ARTICLE 15. AMENDMENT

This Agreement may be amended at any time by mutual consent of the parties hereto. Amendments shall be documented by written, signed and data addenda.

ARTICLE 16. SEVERABILITY

If any provision of this Agreement shall be adjudged to be unlawful or contrary to public policy, then that provision shall be deemed null and void and severable from the remaining provisions and shall in no way affect the validity of this Agreement.

ARTICLE 17. WAIVER

Failure or delay on the part of either party to exercise any right, power, privilege or remedy hereunder shall not constitute a waiver thereof. A waiver of any default shall not operate as a waiver of any other default or of the same type of default on a future occasion.

ARTICLE 18. FORCE MAJEURE

Either party's performance of any part of this Agreement shall be excused to the extent that it is hindered, delayed or otherwise made impractical by reason of flood, riot, fire, explosion, war, acts or omissions of the other party or any other cause, whether similar or dissimilar to those listed, beyond the reasonable control of that party. If any such event occurs, the nonperforming party shall make reasonable efforts to notify the other party of the nature of such condition and the extent of the delay and shall make reasonable, good faith efforts to resume performance as soon as possible.

ARTICLE 19. CHOICE OF LAW AND VENUE

In the event of a dispute this Agreement shall be interpreted in accordance with the laws of the State of Wisconsin, to the extent that there is no conflict with Federal law or applicable program requirements. The venue for any dispute shall be Dane County, Wisconsin.

FISCAL TERMS AND CONDITIONS

ARTICLE 20. SOURCE AND AVAILABILITY OF FUNDS

Funds have been appropriated by the Wisconsin Legislature for the eligible expenses covered under this Agreement. Funds awarded under this Agreement have been encumbered and are subject to the continued availability of funding from the State of Wisconsin. Funds are also subject to continued availability from the Volkswagen Diesel Emissions Environmental Mitigation Trust.

ARTICLE 21. VARIANCES

Certain variances to the budget outlined in the Statement of Work may be permissible. The changes shall be agreed to by both parties and approved by the Division in writing. A variance shall not be used to authorize a revision of the amount awarded or a change in the performance period. Such changes shall be made by amendment to the Agreement.

ARTICLE 22. ELIGIBLE COSTS

Eligible Costs are those costs which can be audited, and which are directly attributable to grant activities and identified and approved in any Statement of Work, Budget and/or Eligible and Ineligible Activity List.

1. Eligible Costs subject to reimbursement by this Grant may not be incurred prior to the execution of this Agreement by the State.

2. Costs only as identified in the Budget and described in the Statement of Work are allowed.

3. All methods of charging expenses against this Agreement shall be submitted for review and approval by the State.

ARTICLE 23. REIMBURSEMENT OF FUNDS

Grantee shall return to the State or other appropriate governmental agency or entity any funds paid to Grantee in excess of the allowable eligible costs under this Agreement. If Grantee fails to return excess funds, the State may deduct the appropriate amount from subsequent payments due to Grantee from the State. The State also reserves the right to recover such funds by any other legal means including litigation if necessary.

Grantee shall be responsible for reimbursement to the State for any disbursed funds, which are determined by the State to have been misused or misappropriated. The State may also require reimbursement of funds if the State determines that any provision of this Agreement has been violated. Any reimbursement of funds which is required by the State, with or without termination, shall be due within forty-five (45) days after giving written notice to Grantee.

ARTICLE 24. LIMITED USE OF PROGRAM FUNDS

This Agreement is a mutually exclusive Agreement. Grantee shall not apply funds authorized pursuant to other agreements toward the activities for which funding is authorized by this Agreement nor shall funding authorized by this Agreement be used toward the activities authorized pursuant to other Program Agreements. The word "funds" as used in this Article does not include Program Income.

ARTICLE 25. FINANCIAL MANAGEMENT

Grantee agrees to maintain a financial management system to assure funds are spent in accordance with applicable laws and regulations and to assure that accounts and accounting records for funds received under this Agreement are segregated from other Agreements, programs, and/or projects.

ARTICLE 26. METHOD OF PAYMENT

The Department shall make payment via electronic funds transfer/check to Grantee. Payment shall only be made after the Department confirms reimbursement materials are complete and accurate, Grantee activities are compliant with all program requirements, and all program expenses are eligible and occurred within the period of performance.

The Department will not make payments during the final two weeks of June.

ARTICLE 27. GRANTEE REQUESTS FOR REIMBURSEMENT

This is a reimbursement program. Grantee must adhere to the requirements found in Attachment C (Reimbursement Request) in order for payment to be made.

The Department shall make payment if it determines that expenses provided in a Statement of Work are eligible under §16.297, Wis. Stats. and eligible under the "State Trust Agreement." Reimbursement requests shall be accepted by the Department throughout the Period of Performance. Grantee shall submit reimbursement materials as electronic files to the following email address:

vwsettlement@wisconsin.gov

Hardcopies of materials, only when requested by the Division, shall be sent to the following address:

Volkswagen Mitigation Program
Department of Administration
Division of Enterprise Operations
101 East Wilson Street, 6th Floor
PO Box 7867
Madison, WI 53707-7867

All reimbursement requests must be received by the Department during the Performance Period.

ARTICLE 28. SHARED REVENUE REDUCTION

Grantee agrees that the receipt of agreement funds under this program will result in a reduction of future shared revenue payments pursuant to §79.035(7), Wis. Stats. Payment reductions shall be calculated by the Department in accordance with §79.035(7), Wis. Stats and processed by the Department of Revenue. Shared revenue reductions shall begin with the shared revenue payment following the first grant reimbursement payment to Grantee and continue for 10 consecutive annual payments by equal amounts. If in any year the reduction exceeds the shared revenue payment under §79.035(7), Wis. Stats the excess amount of the reduction will be applied to the payment under §79.04, Wis. Stats.

Grantee's total shared revenue payment reduction shall be equal to 20 percent of the total amount of agreement funds received under §16.047 (4m), Wis. Stats. The Department shall calculate each shared revenue reduction based on the percentage listed above and each grant reimbursement payment made to Grantee.

The resulting shared revenue reduction(s) shall be processed by the Department of Revenue pursuant to §79.035(7), Wis. Stats.

Grantee may receive reductions in both the July and November shared revenue payments if a reduction exceeds the total shared revenue payment for July. Reductions split between July and November shared revenue payments shall constitute one consecutive annual payment reduction.

ADMINISTRATIVE TERMS AND CONDITIONS

ARTICLE 29. SINGLE AUDIT REQUIREMENT

Grantee shall have a certified annual audit performed utilizing Generally Accepted Accounting Principles and Generally Accepted Auditing Standards.

Grantees which received state funds during their fiscal year shall comply with the requirements set forth in the State Single Audit Guidelines issued by the Department. Audit reports are due to the State within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.

Please review the Department of Administration's Single Audit Compliance Supplement for details on submission of the reporting package (https://doa.wi.gov/Pages/StateFinances/State-Single-Audit-Guidelines.aspx).

ARTICLE 30. EXAMINATION OF RECORDS

The Department and any of its authorized representatives shall have access to and the right at any time to examine, audit, excerpt, transcribe and copy on Grantee's premises any directly pertinent records and computer files of Grantee involving transactions relating to this Agreement. Similarly, the State shall have access at any time to examine, audit, test and analyze any and all physical projects subject to this Agreement. If the material is held in an automated format, Grantee shall provide copies of these materials in the automated format or such computer file as may be requested by the State. Such material shall be retained for three years by Grantee following final payment on the Agreement.

This provision shall also apply in the event of cancellation or termination of this Agreement. Grantee shall notify the State in writing of any planned conversion or destruction of these materials at least 90 days prior to such action. Any charges for copies provided by Grantee of books, documents, papers, records, computer files or computer printouts shall not exceed the actual cost thereof to Grantee and shall be reimbursed by the State.

The minimum acceptable financial records for the project consist of: 1) Inventory records and supporting documentation for allowable equipment and services purchased to carry out the project scope; 2) Documentation of Agreement Services and Materials; and 3) Any other records which support charges to project funds. Grantee shall maintain sufficient segregation of project accounting records from other projects or programs.

ARTICLE 31. PROJECT ID

The Agreement shall include a unique Project ID number assigned by the Department for purposes of project administration. Grantee shall refer to the Project ID when requesting reimbursement.

SPECIAL TERMS AND CONDITIONS

ARTICLE 32. COMPETATIVE PROCUREMENT PRACTICES

Grantee shall utilize competitive procurement practices for products and services purchased as a result of this award. Procurement practices shall follow applicable local and state law. Grantee is responsible for providing proof that competitive procurement practices and applicable state and local law were followed. If Grantee elects to purchase products or services from a cooperative purchasing contract where Grantee was not the primary procurement agent, Grantee is responsible for providing proof that competitive procurement practices were followed.

ARTICLE 33. REASONABLE COSTS

Grantee shall make reasonable efforts to control unit costs for products and services procured as a result of this Agreement. For purposes of this Article 33, whether Grantee's efforts to control unit costs are reasonable is subject to review by the Department as part of an Agreed Upon Procedures Audit as set forth in Article 34, and the Department's determination as to the reasonableness of such efforts shall be conclusive.

ARTICLE 34. AUDITS

Grantee shall perform an "Agreed Upon Procedures Audit" on request. This audit shall consist of procedures and questions agreed upon by the State and the Auditor and shall expand beyond the scope of that provided for under the Wisconsin State Single Audit Guideline requirements.

ARTICLE 35. EQUIPMENT ACCOUNTABILITY

Title to equipment purchased with funds provided under this Agreement shall vest in Grantee's name, unless otherwise specified by an attachment. Disposition of any eligible buses shall be in accordance with the scrappage requirements of the program in Attachment A – Statement of Work. Disposition of any other equipment shall be in accordance with applicable law. The Department reserves the right to restrict disposal, transfer or use of all equipment in order to maintain compliance with the "State Trust Agreement."

ARTICLE 36. PATENT INFRINGEMENT

Grantee covenants that it shall, at its own expense, defend every suit which shall be brought against the State of Wisconsin (provided that such Grantee is promptly notified of such suit, and all papers therein are delivered to it) for any alleged infringement of any patent by reason of the sale of use of such articles and agrees that it shall pay all costs, damages, and profits recoverable in any such suit.

ARTICLE 37. PROGRAM INCOME

Program Income means gross income received by Grantee that is directly generated from the use of the Agreement award, including but not limited to repayments of funds that had been previously paid for eligible expenses; interest earned on any or all Agreement funds obtained from the State; proceeds derived after the Agreement close out from the disposition of real property acquired with any or all funds provided under this Agreement or interest earned on Program Income pending its disposition.

All Program Income shall be recorded and shall be provided to the Department upon request.

ARTICLE 38. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION

Grantee certifies that to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (b); and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

Where the prospective primary participant is unable to certify to any of the statements in this article, such prospective participant shall attach an explanation to this proposal.

ARTICLE 39. INFORMATION SHARING REQUIREMENTS

The Department may periodically request specific information from Grantee to comply with legislative inquiry, state statute, federal law, State Trust Agreement requirements or for other reasons. Grantee agrees to provide the requested information to the Department within 21 calendar days in a form and format determined by the Department. This section is in addition to Grantee's reporting requirements as specified in Attachment E – Reporting Form.

ARTICLE 40. USE OF ASSETS PURCHASED WITH AGREEMENT FUNDS

Grantee must use assets purchased with agreement funds for public mass transit service for the entire useful life of the asset. The Department adopts the useful life definition and minimum useful life standards for buses and equipment set forth by the Federal Transit Administration (FTA) in FTA Award Management Circular (5010.1E), revised 7-16-2018, except when noted. Grantee must notify the Department when the asset is permanently withdrawn from revenue service or experiences a casualty loss. The Department relinquishes any interest in the asset(s) when the asset(s) reaches its useful life standard or the asset's fair market value falls below 10 percent of its original purchase price.

Grantee shall pay all fuel, taxes, fees, maintenance, administrative and other operating costs associated with the asset(s) purchased with agreement funds. Grantee agrees to maintain the asset(s) in accordance with manufacturer recommendations and keep the asset(s) in a state of good repair. Grantee confirms that financial capacity exists to operate and maintain the asset(s) throughout the useful life of the asset(s).

In the event Grantee receives insurance proceeds resulting from the asset's total loss, Grantee shall use proceeds towards a replacement asset of similar kind or, if Grantee and the Department jointly determine the replacement of the asset to be burdensome or otherwise counter to program objectives, proceeds may be used for other means mutually agreed to by both parties in writing.

Grantee agrees that it will not transfer title, lease, lien, pledge, mortgage, or any other similar action prior to reaching the minimum the useful life standard of the asset(s) without written approval of the Department.

ARTICLE 41. COMPLIANCE MONITORING

The Department may conduct on-site compliance checks during the Period of Performance to ensure Program objectives are being met and Grantee activities are compliant with State Trust Agreement and Grant Agreement requirements. Grantee agrees to make personnel, documents, sites, assets and other records available for immediate inspection by an authorized representative of the Department.

ARTICLE 42. LOBBYING

Program funds may not be used to influence federal contracts or financial transactions.

ARTICLE 43. TRAINING-WORKSHOPS-SEMINARS-EXHIBIT SPACE

If any portion of the funds shall be used to support training, workshops, seminars, exhibit space, etc., the Department shall receive complimentary registration and/or exhibit/booth space, if requested.

ARTICLE 44. NONDISCRIMINATION IN CONTRACTING

Pursuant to 2019 Wisconsin Executive Order 1, grantee agrees it will hire only on the basis of merit and will not discriminate against any persons performing a contract, subcontract or grant because of military or veteran status, gender identity or expression, marital or familial status, genetic information or political affiliation.

ATTACHMENT A
STATEMENT OF WORK

VOLKSWAGEN MITIGATION TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

For the Grant Agreement Between the
State of Wisconsin, Department of Administration, Division of Enterprise Operations
And
CITY OF SHEBOYGAN

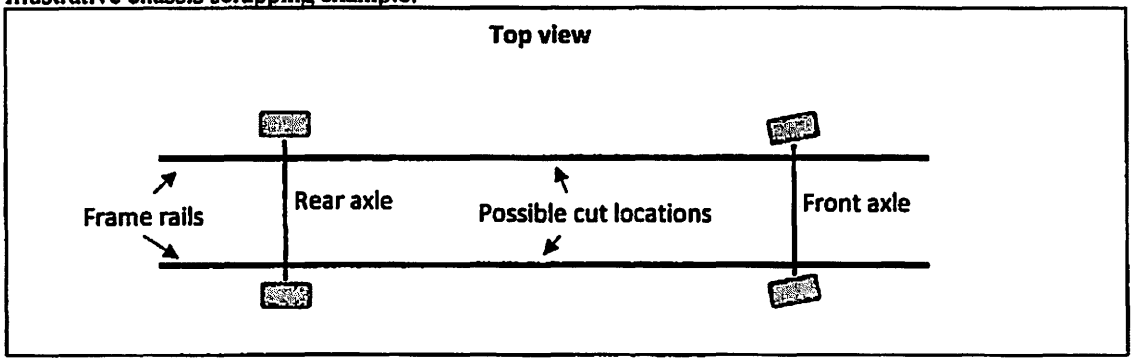
PROJECT ID: VW-BUS-SHEB-01

MARCH 22, 2019

Summary
Grantee shall replace eligible buses identified in the Project Budget by purchasing, owning and operating a new bus as identified in the Project Budget. Grantee shall scrap all eligible old buses as identified in the Project Budget.

Scrap eligible old buses
Grantee shall replace eligible old buses identified in the Project Budget by scrapping and making them available for recycle, in accordance with the State Trust Agreement and this Grant Agreement. Scrapping shall mean to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block for all engines. Scrapped shall also include the disabling of the chassis by cutting the vehicle's frame rails completely in half in at least two locations on separate sides of the vehicle between the front and rear axles. Scrapping shall be completed within 90 days of accepting delivery of the replacement bus(es). Per Grantee's request, the Department may grant approval for alternative scrapping methods in writing. Such approval must be obtained prior to the scrapping activity.

Illustrative chassis scrapping example:



Purchase eligible new buses
Grantee shall purchase, own and operate eligible new heavy-duty public transit buses for the purposes of carrying passengers in a public mass transit system operating in the State of Wisconsin.

1) New buses must be eligible under the State Trust Agreement and under §16.047(4m), Wis. Stats.

a) Eligible new buses must be owned by the Grantee and titled in the Grantee's name or Grantee's Governmental Agent (e.g. Transit Authority) or Department.
b) All vendors must be selected in accordance with local public contracting law. If no local public contracting law or regulations exist, the Grantee shall utilize state public contracting law and procurement processes. If the Grantee elects to purchase products or services from a cooperative purchasing contract where the Grantee was not the primary procurement agent, the Grantee is responsible for providing proof that competitive procurement practices were followed.
c) New buses must have an engine model year the same year as when the replacement occurs or one engine model year prior. For example, if bus replacement occurs in 2020, the engine model year of the new bus must be 2020 or 2019. A bus with an engine model year of 2018 or older would not be eligible for reimbursement under this example.
d) Grantee shall provide cost estimate documentation to the Department, and to the satisfaction of the Department, for all purchases over $25,000. For example, cost estimate documentation may be a vendor's quote, bid price sheet or similar document.

2) The Grantee shall submit draft Purchase Order(s) (PO) and itemized equipment lists to the Department for review prior to sending any POs to a vendor. Any expenses ineligible for reimbursement shall be on a separate PO, such as extras, add-ons, special order, or additional equipment. This will help ensure the Department is aware of project activities and has an opportunity to review and prepare for project reimbursement.

3) The Department will not work directly with a Grantee's vendor, except at the discretion of the Department, and will not accept reimbursement requests from a vendor.

Reporting
Grantee shall submit reports to the Department as specified in Attachment E – Reporting Form.

Reimbursement
This is a reimbursement program. Grantee must incur eligible project costs and pay for all project costs before requesting reimbursement. Grantee must complete reimbursement requests as specified in Attachment B – Reimbursement Request. All documents must be completed to the Department's satisfaction and all supporting documentation must be submitted. Reimbursement requests shall be submitted to the Department within 60 calendar days of completing each individual transit bus replacement project and associated scrapping. All reimbursement requests must be received by the Department during the Performance Period.

ATTACHMENT B: REIMBURSEMENT REQUEST
TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

INSTRUCTIONS

This Excel workbook is available electronically at https://doa.wi.gov/Pages/vwsettlementwisconsin.aspx

Complete this Excel workbook to request reimbursement of eligible expenses under the Volkswagen Mitigation Transit Capital Assistance Grant Program administered by the Department of Administration (DOA). This program is funded from Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia. Incomplete forms may not be considered. Personal information collected will be used for grant administration and may be provided to requesters to the extent required by Wisconsin's Open Record law.

Before completing this workbook, carefully review your grant agreement!

BUS REPLACEMENT REIMBURSEMENT REQUEST

- This workbook contains seven (7) worksheets. Review and complete all worksheets electronically.
- Entry fields with light blue background color must be completed unless otherwise noted.
- Complete a separate workbook for each replacement bus project.
- Send the final, completed electronic workbook to DOA via email to request reimbursement. Ensure all supporting documentation is included in your reimbursement request email.
- Reimbursement requests shall be submitted to the Department within 60 calendar days of completing each individual transit bus replacement project and associated scrapping. All reimbursement requests must be received by the Department during the Performance Period shown in the Grant Agreement.
- Email all documents to DOA at vwsettlement@wisconsin.gov

INFRASTRUCTURE REIMBURSEMENT REQUEST

Contact DOA VW Mitigation Program Administrator for instructions on requesting reimbursement for non-vehicle, infrastructure expenses, if allowed by your Grant Agreement.

Benjamin Vondra
benjaminh.vondra@wisconsin.gov
608-261-6262

ATTACHMENT B: REIMBURSEMENT REQUEST
TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

REIMBURSEMENT CHECKLIST

GRANTEE: Enter Grantee Name (as it appears on grant agreement)

PROJECT ID # *(from grant agreement)* Enter Project ID #

This documentation was completed and submitted by:

Name:

Date:

Title:

Phone:

Email:

Check off all items included with the reimbursement request. All items are REQUIRED.

Workbook items:

- ☐ Reimbursement Checklist
- ☐ Reimbursement Cover Page
- ☐ Vehicle Inspection Form
- ☐ Procurement Certification & Supporting Documents
- ☐ Certificate of Engine and Chassis Destruction
- ☐ NOx Air Quality Data

Additional items:

- ☐ Reimbursement Request Letter on Grantee Letterhead
- ☐ Copy of Purchase Order(s) *(for bus purchase and for scrapping services)*
- ☐ Copy of Vendor Invoice(s) *(for bus purchase and for scrapping services)*
- ☐ Proof of Payment From Grantee to Vendor *(e.g. copy of check, accounting sheet)*
- ☐ Before and After Scrapping Photographs *(details on Certificate of Destruction in workbook)*
- ☐ Copy of MV1 Title/License Plate Application for Replaced Bus *(provides proof of ownership)*
- ☐ Copy of MV1 Title/License Plate Application for New Bus
- ☐ Any additional materials if specified in the grant agreement
- ☐ Cost documentation for all purchases over $25,000 *(bid price sheet, vendor quote, etc.)*

ATTACHMENT B: REIMBURSEMENT REQUEST
TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

COVER PAGE

Statement: The Grantee formally requests reimbursement for eligible expenses outlined in the attached documentation and in accordance with the Agreement.

GRANTEE: Enter Grantee Name (as it appears on grant agreement)

TOTAL REIMBURSEMENT REQUEST ($): $ -

REIMBURSEMENT REQUEST #: *(sequential)*

Grantee Address

Street 1:
Street 2:
City:
Zip:

Scrapped Bus

Vehicle Make:
Vehicle Model:
Vehicle Model Year:
VIN:
Engine Make:
Engine Model:
Engine Model Year:
Engine Serial No:
Engine Family No:
Fleet ID #:
Scrapping Date:
Scrapping Cost: $ -
Scrapping Income: $ -
Maximum Eligible Scrapping Reimbursement (calculated): $ -

New Bus

Vehicle Make:
Vehicle Model:
Vehicle Model Year:
VIN:
Engine Make:
Engine Model:
Engine Model Year:
Engine Serial No:
Engine Family No:
Fleet ID #:
Delivery Date:
Date Placed in Service:
New Bus Expenses Eligible for Reimbursement: $ -

ATTACHMENT B: REIMBURSEMENT REQUEST
TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

NEW VEHICLE INSPECTION FORM

Grantee: Enter Grantee Name (as it appears on grant agreement)

TOPIC	REQUIREMENT	PASS / FAIL	NOTES
FMVSS Sticker	Affixed to vehicle		
Interior Finish	Clean and adheres to contract specs		
Exterior Finish	Clean and adheres to contract specs		
Interior Lighting	Operable and adheres to contract specs		
Exterior Lighting	Operable and adheres to contract specs		
Accessible Lift / Ramp	Operable and adheres to contract specs		
Chassis / Frame	Inspect for leaks, damage, etc.		
Electrical	Inspect electrical system where applicable, including battery(ies)		
HVAC	Run heater, AC, fan and inspect compressor / condenser		
Engine	Inspect for leaks, loose components and noises. Operates as expected, gauges read normal		
Brakes / Parking brake	Tested and operates as expected		
Speed	Vehicle tested at varying speeds and on a roadway with posted speed limit at least 50mph		
Wipers / Windows / Seats	Tested and operates as expected		
Safety	Vehicle equipped with first aid kit, fire extinguisher and orange triangles		
Other	Report other tests or issues		

Mechanic / Authorized Representative Signature: *Type Signature Here*
(typed electronic signatures acceptable)

Print:

Date:

ATTACHMENT B: REIMBURSEMENT REQUEST
TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

PROCUREMENT & CONTRACTING CERTIFICATION

Grantee: Enter Grantee Name (as it appears on grant agreement)

Certification Statements *(check all, sign and date)* :

- ☐ *I certify that the purchase of the products and/or services presented for reimbursement were procured and contracted in a manner compliant with state and local procurement and contracting law.*
- ☐ *I understand that if all or part of the products and/or service expenses presented for reimbursement were not procured or contracted in a manner compliant with state and local procurement and contracting law, those products and/or services are ineligible for reimbursement from DOA and the VW Environmental Mitigation Trust Fund.*
- ☐ *I certify that supporting documentation showing compliance with state and local procurement and contracting law is included with this reimbursement request.*

This certification MUST be accompanied by supporting documentation showing state and local procurement and contracting laws have been followed. Examples of supporting documentation may include:

- copy of contract with vendor showing quoted prices
- screenshot of online procurement materials
- narrative of procurement process followed, including timeline
- procurement documents, showing products and services
- emails or other communications of procurement processes

Signature of Authorized Representative:

Signature: *Type Signature Here* Date:

(typed electronic signatures acceptable)

Print:

ATTACHMENT B: REIMBURSEMENT REQUEST
TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

CERTIFICATE OF ENGINE & CHASSIS DESTRUCTION

This form must be completed for each scrapped bus. Carefully review your grant agreement and statement of work for detailed scrapping requirements. Improperly scrapped vehicles will result in the Department withholding reimbursement of eligible new vehicle costs. Contact the VW Program Administrator with questions.

Grantee: Enter Grantee Name (as it appears on grant agreement)

Scrapping Company *(if not scrapped in-house)*

Company Name:
Scrapping Company Representative:
Phone:
Street 1:
Street 2:
City:
Zip:

Scrapped Vehicle Information

Scrapping Date: 1/0/1900
Vehicle Make: 0
Vehicle Model: 0
Vehicle Model Year: 0
VIN:
Engine Make: 0
Engine Model: 0
Engine Model Year: 0
Engine Serial No:

Submit the following photographs to the Department.

- Photos must be submitted via email as .jpeg images to vwsettlement@wisconsin.gov.
- Filenames of photos must clearly describe what is in the photo.
- Submit the following photographs:
  - a) side-profile of vehicle
  - b) VIN label, etching or stamp
  - c) Engine label(s) showing manufacturer name and engine serial number
  - d) Chassis rails cut in half
  - e) Engine block, prior to hole, with measurement markings
  - f) Engine block, after hole, with measurement
  - g) Others, as requested by the Department

Grantee Certification Statement

I certify that within 90 days of receiving delivery of the replacement vehicle, the replaced vehicle was rendered inoperable and available for recycle. The engine has been disabled by causing a 3-inch hole to be cut in the engine block. In addition, the chassis of the vehicle was disabled by cutting the vehicle's frame rails completely in half in not less than two places between the front and rear axles. Before and after photographs have been included with the request for reimbursement.

Grantee Authorized Signature: *Type Signature Here*
(typed electronic signatures acceptable)
Name:
Date:

ATTACHMENT B: REIMBURSEMENT REQUEST
TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

NOx DATA *(for EPA DEQ Final Calculations)*

SCRAPPED BUS

Engine Model Year:	0		
Fuel Type:			
Annual Fuel Gallons:	0	☐	*Check if estimated*
Annual Miles Traveled:	0	☐	*Check if estimated*
Avg. Daily Idling Hours:	0.0	☐	*Check if estimated*
Avg. Days Used Per Year:	0	☐	*Check if estimated*
Avg. Idling Hours Per Year:	0		*calculated*
Scrapping Year:			
Estimated Life Remaining (years):	0		

NEW BUS

Fuel Type:			
New Engine Model Year:	0		
Annual Diesel Gallons Reduced*:	0	☐	*Check if estimated*

**If the new bus will have the same MPG rating and be used in a similar way to the old bus, enter "0".*

ATTACHMENT C
ELIGIBLE AND INELIGIBLE ACTIVITIES

VOLKSWAGEN MITIGATION TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

For the Grant Agreement Between the
State of Wisconsin, Department of Administration, Division of Enterprise Operations
And
CITY OF SHEBOYGAN

PROJECT ID: VW-BUS-SHEB-01

MARCH 22, 2019

The Department maintains responsibility for the interpretation of terms, conditions and costs listed. The Department reserves the right to alter the list of eligible and ineligible activities at any time to maintain consistency with the Beneficiary State Trust, Trustee guidance, State Statute and the Department's interpretation of program rules. The list of ineligible activities is provided as a courtesy to Grantee and is not exhaustive.

Scrapping Activities		Eligible	Ineligible
1.	Activities directly related to the scrapping expense of a contractor.	X	
2.	Activities directly related to the labor and material expenses of conducting scrapping in-house.	X	
3.	Towing of a vehicle to a scrapping contractor.		X
4.	Grantee expenses related to preparing a vehicle for scrapping (i.e. draining fluids).		X
5.	Any expenses to disable, remove or transfer equipment except activities explicitly called for by the Agreement's scrapping requirement.		X
6.	Vehicle storage fees.		X
7.	Bad debts, late payment fees, finance charges or contingency funds, interest, and investment management fees. Liens or other interests on any replaced bus.		X

New Vehicle Activities		Eligible	Ineligible
1.	Base chassis, drivetrain, and body components (i.e. engine, frame, body, windows, tires, etc.).	X	
2.	Basic fit and finish only when installed by the vendor and incorporated into the vehicle prior to vehicle delivery to Grantee. (i.e. seating, flooring, ADA securement, lighting, etc.).	X	

3.	Trim, customary interior and exterior product packages, certain drivetrain options, accessibility features, life-safety equipment required by law and similar equipment customarily ordered by the Grantee or in order to maintain consistency with the Grantee's existing fleet or as an improvement to the Grantee's existing fleet as documented in planning materials (i.e. LED lighting, window upgrades, driver seating upgrades, heating and cooling equipment) and only when installed by the vendor and incorporated into the vehicle prior to vehicle delivery to Grantee.	X	
4.	Customary manufacturer vehicle delivery charges.	X	
5.	Purchase or installation of new farebox or fare collection equipment only when installed by vendor during assembly and prior to vehicle delivery to Grantee.	X	
6.	Decals, vehicle wraps, signage, bike racks or other similar exterior accessories customarily ordered by the Grantee or in order to maintain consistency with the Grantee's existing fleet or as an improvement to the Grantee's existing fleet as documented in planning materials, only when installed by vendor during assembly and prior to vehicle delivery to Grantee.	X	
7.	Communication equipment (i.e. two-way radio) only when installed by vendor during assembly and prior to vehicle delivery to Grantee.	X	
8.	Title, license and other vehicle registration fees.		X
9.	Training, training materials, workshops and travel of Grantee staff or contractors that is beyond what is included in the base vehicle cost.		X
10.	Operating expenses (i.e. data service plans, maintenance packages, operating software, fuel, insurance, wages, fringe, etc.).		X
11.	Grantee administrative expenses associated with the ordering, procurement, delivery, registration or other start-up costs of the vehicle.		X
12.	Extensive technology upgrades (hardware or software), as determined by the Department, that are above the base option available from the manufacturer, unless explicitly authorized by the Department in writing prior to issuance of a purchase order.		X
13.	Attorney fees. Engineering/consultant fees. Taxes, except sales tax on eligible equipment and expenses.		X
14.	Extensive or uncustomary upfit, upgrades or extras, as determined by the Department.		X
15.	Transfer or installation of equipment from any vehicle into a new vehicle.		X
16.	Maintenance tools, repair equipment, spare parts or similar items.		X

ATTACHMENT D
BUDGET

VOLKSWAGEN MITIGATION TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

For the Grant Agreement Between the
State of Wisconsin, Department of Administration, Division of Enterprise Operations
And
CITY OF SHEBOYGAN

PROJECT ID: VW-BUS-SHEB-01

MARCH 22, 2019

1) 100% of eligible expenses to scrap the following bus(es) and engine(s).

VIN	Vehicle Make	Vehicle Model	Engine Model Year	Engine Serial Number	Fleet ID #	Scrapping Allowance
15GGE291651091035	Gillig	30'	2005	46535813	502	$1,500.00

2) 100% of eligible expenses to purchase the following new bus(es).

Anticipated PO Date (MM/YY)	Vehicle Make	Vehicle Model	Engine Model Year	Engine Type	Reimbursement not to exceed
	Gillig	35'	Calendar year in which replacement occurs or one model year prior	Clean Diesel	$450,000.00

ATTACHMENT E
REPORTING FORM

VOLKSWAGEN MITIGATION TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM

For the Grant Agreement Between the
State of Wisconsin, Department of Administration, Division of Enterprise Operations
And
CITY OF SHEBOYGAN

PROJECT ID: VW-BUS-SHEB-01

MARCH 22, 2019

The Department must meet Trustee reporting requirements, including semi-annual reports describing the progress in implementing each project. The Department must collect information from the Grantee in order to create these reports. The Department must also collect information to track project implementation in accordance with program terms and conditions.

Grantee shall report twice annually on program activities. Grantee shall report on the period beginning when the Grant Agreement is fully executed and terminating when the recipient has received final payment for all projects as shown in Attachment D – Budget. Failure to submit complete and accurate reports prior to the reporting deadline may constitute cause for suspension of payments or agreement termination.

Submission due dates:

Reporting Period	Due Date
January 1 through June 30	July 15
July 1 through December 31	January 15

INSTRUCTIONS

1) Complete all fields.
2) Sign and date
3) Save form, keep a copy for your records
4) Submit the completed, electronic copy of this form to vwsettlement@wisconsin.gov

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
DIVISION OF ENTERPRISE OPERATIONS
VW MITIGATION PROGRAM
03/2019

101 EAST WILSON STREET, 6TH FLOOR
PO BOX 7867
MADISON, WI 53707-7867

https://doa.wi.gov/Pages/vwsettlementwisconsin.aspx

Submit form to vwsettlement@wisconsin.gov

VOLKSWAGEN MITIGATION TRANSIT CAPITAL ASSISTANCE GRANT PROGRAM
Semi-annual Report

Section 1 **REQUIRED**			
Grantee			
Date		Project ID No. *(from grant agreement)*	
Contact Person *(name, title, phone, email)*			
Reporting Period *(check one)*	☐ January through June ☐ July through December		

Section 2 **REQUIRED. TOTAL FOR ALL VEHICLE REPLACEMENT PROJECTS**			
Total Eligible Project Costs Incurred During Reporting Period*	$	Total Eligible Project Costs Paid During Reporting Period	$
Detailed Description of Project Activities During Reporting Period. Include Dates.			
Detailed Description of Planned Project Activities for Upcoming Reporting Period (6 months).			

**incurred costs include any expenses Grantee has assumed liability for and intends to seek reimbursement from the VW Mitigation Program.*

Authorized Representative Signature *(typed signature acceptable)*	
Print Name	
Title	
Date	

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ▶ Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the instructions for Part II for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/Businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor[2]
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee[1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner[1]
6. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity[4]
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint*. You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Visit *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

VIII

5.2
6.10

R. C. No. 274 - 18 - 19. By LICENSING, HEARINGS, AND PUBLIC SAFETY COMMITTEE. March 18, 2019.

Your Committee to whom was referred Res. No. 183-18-19 by Alderpersons Wolf and Donohue dissolving the Sustainable Sheboygan Task Force; recommends approving the Substitute Resolution.

Beg.
Donohue/Wolf to Pass Ress
BAWT, Bohren/Wolf to hold
until May 6
Aye: 7
Nay: 3
4-3-19- New Council

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

III

Subs. of Res. No. 183 - 18 - 19. By Alderpersons Wolf and Donohue.
March 18, 2019.

A RESOLUTION dissolving the Sustainable Sheboygan Task Force.

WHEREAS, the Sustainable Sheboygan Task Force was established by way of Subs. of Res. No. 22-08-09, as amended by Res. No. 54-08-09 and Res. No. 181-16-17; and

WHEREAS, the purpose of the Sustainable Sheboygan Task Force was to study and make recommendations to the Common Council regarding strategies to be adopted by the City for creating and maintaining a sustainable Sheboygan, focusing on such topics as recycling, green purchasing, energy conservation, waste management and sustainability measures, and raising community awareness on environmental stewardship, that would result in cost savings and reduced consumption of resources throughout the City of Sheboygan; and

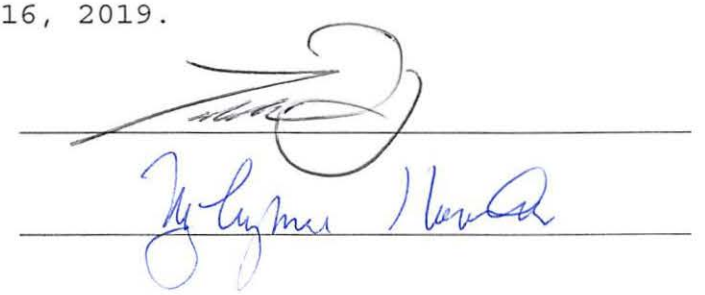
WHEREAS, recommendations presented by the Sustainable Sheboygan Task Force have been implemented in the respective City departments and the Sustainable Sheboygan Task Force has fulfilled its purpose.

NOW, THEREFORE, BE IT RESOLVED: That the Sustainable Sheboygan Task Force is hereby eliminated and abolished and the associated authorizing resolutions (Subs. of Res. No. 22-08-09, as amended by Res. No. 54-08-09 and Res. No. 181-16-17) are hereby repealed.

BE IT FURTHER RESOLVED: That nothing in this resolution shall prevent the City Administrator from creating a city department green team to serve the City's future sustainability efforts.

BE IT FURTHER RESOLVED: That the City Administrator shall report back to the Common Council at least annually regarding the City's sustainability efforts.

BE IT FURTHER RESOLVED: That this Resolution shall be in effect from and after its passage and as of April 16, 2019.



I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

III

5.5

Res. No. 183 - 18 - 19. By Alderpersons Wolf and Donohue. March 4, 2019.

A RESOLUTION dissolving the Sustainable Sheboygan Task Force.

WHEREAS, the Sustainable Sheboygan Task Force was established by way of Subs. of Res. No. 22-08-09, as amended by Res. No. 54-08-09 and Res. No. 181-16-17; and

WHEREAS, the purpose of the Sustainable Sheboygan Task Force was to study and make recommendations to the Common Council regarding strategies to be adopted by the City for creating and maintaining a sustainable Sheboygan, focusing on such topics as recycling, green purchasing, energy conservation, waste management and sustainability measures, and raising community awareness on environmental stewardship, that would result in cost savings and reduced consumption of resources throughout the City of Sheboygan; and

WHEREAS, recommendations presented by the Sustainable Sheboygan Task Force have been implemented in the respective City departments and the Sustainable Sheboygan Task Force has fulfilled its purpose.

NOW, THEREFORE, BE IT RESOLVED: That the Sustainable Sheboygan Task Force is hereby eliminated and abolished and the associated authorizing resolutions (Subs. of Res. No. 22-08-09, as amended by Res. No. 54-08-09 and Res. No. 181-16-17) are hereby repealed.

BE IT FURTHER RESOLVED: That nothing in this resolution shall prevent the City Administrator from creating a city department green team to serve the City's future sustainability efforts.

BE IT FURTHER RESOLVED: That this Resolution shall be in effect from and after its passage and as of April 16, 2019.

approve subs

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

VIII

R. C. No. _____ - 19 - 20. By FINANCE AND PERSONNEL COMMITTEE.
May 6, 2019.

Your Committee to whom was referred DIRECT REFERRAL Res. No. 4-19-20 by Alderpersons Donohue and Bohren authorizing the appropriate City officials to negotiate and enter into a Development Agreement between Van Horn Development, LLC, the Redevelopment Authority of the City of Sheboygan ("RDA"), and the City of Sheboygan with regard to the former Kingsbury Property located on approximately 2.49 acres south of Wisconsin Avenue and west of North 10th Street; recommends approving the Resolution.

mcf

_____ _____

_____ _____

_____ _____

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated_____ 20____. _____, City Clerk

Approved_____ 20____. _____, Mayor

III

DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 4 - 19 - 20. By Alderpersons Donohue and Bohren.
April 24, 2019.

A RESOLUTION authorizing the appropriate City officials to negotiate and enter into a Development Agreement between Van Horn Development, LLC, the Redevelopment Authority of the City of Sheboygan ("RDA"), and the City of Sheboygan with regard to the former Kingsbury Property located on approximately 2.49 acres south of Wisconsin Avenue and west of North 10th Street.

WHEREAS, on February 27, 2019, the Redevelopment Authority approved a contract for the sale of land for private development with Van Horn Development related to the former Kingsbury Property, located on approximately 2.49 acres south of Wisconsin Avenue and west of North 10th Street; and

WHEREAS, said agreement provides that Van Horn Development will construct up to thirty town home condominium units, and additionally provides that proceeds from the sale to the RDA will be placed in escrow for use in paying for environmental remediation costs; and

WHEREAS, said agreement provides for a minimum investment by Van Horn Development of four million ($4,000,000) dollars, and a minimum assessed value of the completed project of six million ($6,000,000) dollars. This would result in a significant benefit to the City both in terms of property tax collections (estimated at about $148,800 per year) and in developing a property that has lied fallow for decades because of environmental concerns; and

WHEREAS, because of the environmental concerns on the property, Van Horn Development, LLC, has approached the City of Sheboygan about obtaining a pay-as-you-go TIF incentive from TID 10 in the amount of $300,000 to partially bridge the gap between current funding and construction costs; and

WHEREAS, on April 3, 2019, the Common Council approved in closed session a strategy for negotiating the TIF incentive with the Developer; and

WHEREAS, city staff and the developer have a general agreement regarding the TIF incentive which falls within the parameters approved by the Common Council on April 3; and

WHEREAS, the deadline for TIF expenditures in TID 10 is rapidly approaching, and while a finalized agreement is not fully complete, certain terms which must be approved have been agreed to by city staff and the developer, and it is the desire of the Common Council to enter into an agreement with the developer with regard to the TIF incentive prior to the end of the expenditure deadline.

Finance + Personnel approve

NOW, THEREFORE, BE IT RESOLVED: That the Mayor and City Clerk are hereby authorized to execute a Redevelopment Agreement by and between Van Horn Development, LLC, the Redevelopment Authority of the City of Sheboygan, and the City of Sheboygan, which includes the following terms with regard to a TIF incentive:

1) The RDA will sell the property to the Developer for $50,000.00 (the "Purchase Price").
2) The RDA will place the entire sum of its proceeds from the sale of the Property into an escrow account; such funds shall be used to reimburse the Developer for fifty percent (50%) of eligible environmental costs incurred by the Developer up to the amount placed into escrow at the time of closing.
3) The Developer shall obtain a written loan commitment from a lending institution for the construction of the project and any and all improvements.
4) The Developer shall utilize the Property by constructing the Project and all related improvements, at a minimum investment of Four Million ($4,000,000) dollars. Minimum Investment includes all costs for construction of all buildings and other improvements on the Property and leasehold improvements, including, without limitation, all hard costs and expenditures made or incurred by the Developer in connection with the Project, on or before the completion date of construction of the Project, including, without limitation, any and all costs the Developer may incur with respect to any environmental contamination, hazardous materials, conditions or substances, recognized environmental conditions or any other environmental condition, which may exist on, in or with respect to the Property.
5) The City shall provide to the developer a maximum $300,000 pay-as-you-go TIF incentive from TID 10, in which the developer would be paid back 100% of the value of the taxes generated over the period of two years, but only if construction costs reach $6,000,000.

BE IT FURTHER RESOLVED, that city staff are directed to provide a copy of the executed agreement as a report to the Finance and Personnel Committee of the Common Council.

_____

_____

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

INCENTIVE PAYMENT AGREEMENT
BY AND BETWEEN
THE CITY OF SHEBOYGAN
AND
VAN HORN DEVELOPMENT, LLC

THIS INCENTIVE PAYMENT AGREEMENT (the "Agreement"), made this 10th day of May, 2019, by and between the City of Sheboygan, a public body corporate of the State of Wisconsin (which is hereinafter called the "City"), having its principal offices at 828 Center Avenue in the City of Sheboygan, Wisconsin, and Van Horn Development, LLC, a Wisconsin incorporated business (hereinafter called "Developer"), having an office for the transaction of business at W5073 County Road O, Plymouth, WI.

RECITALS

WHEREAS, The City has agreed to make certain Incentive Payments, described below, to Van Horn as part of a Contract for Sale of Land and Development the parties have negotiated (a copy of which is attached and incorporated as Exhibit "A") along with the Redevelopment Authority of the City of Sheboygan, in order to assist Van Horn in developing real property more particularly described in Exhibit "B" attached hereto and made a part hereof (which property as so described is hereinafter called "the Property") and to develop said Property by constructing at least 30 units of townhome market rate apartments, all at an estimated cost of Six Million and 00/100 Dollars ($6,000,000.00) (hereinafter called "the Project"); and

WHEREAS, the Incentive Payments are to be paid from funds generated by TID 10. The expenditure period for TID 10 expires on May 19, 2019, after which no agreement to incur additional expenditures may be entered into. However, the sale of the Property and the completion of certain contingencies in the Contract for Sale of Land and Development may not be complete until after expiration of the expenditure period, requiring a separate agreement for the regarding the Incentive Payments that will be complete and executed prior to the expiration of the expenditure period.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

Article I. Development Incentives. The City agrees to provide to the Developer each year for a maximum period of three (3) years, an annual incentive payment based on financial performance of the Development Project, in a total principal sum over the three years not to exceed $300,000 (the "Incentive Principal Amount") as an inducement to Developer for the development of the Project. The annual incentive payments shall be calculated and provided to the Developer as follows:

Each year for a maximum period of three (3) years, commencing in 2021 and ending in 2023, the City will pay the Developer a development performance incentive payment in an amount equal to the Tax Increment Revenue received by the City with respect to the real property upon which the Project is situated in that year, minus $10,000 for the City's administrative costs. The terminology "real Property upon which the Project is situated" is used in this Article to make it clear that personal property shall not be included in determining Tax Increment Revenue. The City shall make the payment due to the Developer, if any, under this Article no later than

September 30 of each year, commencing in 2021. Payment by the City of the annual incentive will only be made if the Developer has paid current year property taxes (real and personal) to the City in full.

Article II. Contingencies. The Parties understand that the Development Incentives described in Article I are to be paid from funds generated by TID 10. The expenditure period for TID 10 expires on May 19, 2019, after which no agreement to incur additional expenditures may be entered into. The City's obligations hereunder are contingent upon the City meeting all requirements and obtaining approval to spend the funds described in Article I and the Developer executing any required documents, including this document, to effectuate incurring those expenditures prior to said TIF expenditure deadline. If the contingency set forth in this Section is not timely satisfied, amended or waived, then the City shall have no obligation to pay Development Incentives. Additionally, should the sale of the Property from the Redevelopment Authority to the Developer not occur, or should title to the Property be revested in the Redevelopment Authority pursuant to the terms of Exhibit A, the City shall have no obligation pay Development Incentives.

(Signature Pages Follow)

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor and City Clerk and the Developer has caused this Agreement to be duly executed in its name and behalf by its members, on or as of the day first above written.

CITY OF SHEBOYGAN

By: _____
Michael J. Vandersteen, Mayor

Attest: _____
Meredith DeBruin, City Clerk

STATE OF WISCONSIN)
) ss.
COUNTY OF SHEBOYGAN)

This instrument was acknowledged before me on this 10th day of May, 2019, by Michael J. Vandersteen and Meredith DeBruin, as Mayor and City Clerk of the City of Sheboygan, Wisconsin.

CHAD D. PELISHEK NOTARY PUBLIC STATE OF WISCONSIN

_____
Chad D Pelishek
Notary Public
State of Wisconsin
My commission expires August 31, 2019

VAN HORN DEVELOPMENT, LLC

By: _____, CFO

By: _____, Director

STATE OF WISCONSIN)
) ss.
COUNTY OF SHEBOYGAN)

This instrument was acknowledged before me on this 9th day of May, 2019, by Thomas Stucco and Christopher Mecklein, ~~members~~ Officers of Van Horn Development, LLC.

_____
Notary Public
State of Wisconsin
My commission ~~expires~~ is permanent

COPY

CONTRACT FOR SALE OF LAND AND DEVELOPMENT THEREOF BY AND BETWEEN REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN AND THE CITY OF SHEBOYGAN AND VAN HORN DEVELOPMENT, LLC

THIS DEVELOPMENT AGREEMENT (the "Agreement"), made this 10th day of May, 2019, by and between the Redevelopment Authority of the City of Sheboygan, a public body corporate of the State of Wisconsin (which, together with any successor public body or officer hereafter designated by or pursuant to law, is hereinafter called the "Authority"), having its principal offices at 828 Center Avenue in the City of Sheboygan, Wisconsin, and Van Horn Development, LLC, a Wisconsin incorporated business (hereinafter called "Developer"), having an office for the transaction of business at W5073 County Road O, Plymouth, WI.

RECITALS

WHEREAS, The Authority has offered to sell and the Developer is willing to purchase certain real property more particularly described in Exhibit "A" attached hereto and made a part hereof (which property as so described is hereinafter called "the Property") and to develop the Property by constructing at least 30 units of townhome market rate apartments or condominiums, all at an estimated cost of Six Million and 00/100 Dollars ($6,000,000.00) (hereinafter called "the Project"), in accordance with this Agreement; and

WHEREAS, The Authority believes that the development of the Property through construction of the Project pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety and welfare of its residents.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I. OVERVIEW OF THE PROJECT

Section 101. *Overview.* The project consists of multiple aesthetically pleasing buildings consisting of a total of at least 30 units of market rate housing with two bedrooms and two-stall garages, and all site improvements. The buildings shall be built as slab on grade, with a variety of exterior material which may include Smart Board, Brick, or other materials specifically approved by the City. EIFS may also be used, but only as an accent on the building(s). The design of the buildings and of the Project as a whole shall be subject to the approval of the Architectural Review Committee of the City of Sheboygan, pursuant to the Sheboygan Zoning Ordinance.

EXHIBIT "A"

ARTICLE II.
DEFINTIONS

Section 201. *Definitions*. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

"Authority" means the Redevelopment Authority of the City of Sheboygan.

"Agreement" or "Development Agreement" means this Agreement, as the same may be from time to time modified, amended, or supplemented.

"City" means the City of Sheboygan, Wisconsin.

"Developer" means Van Horn Development, LLC and its successors and assigns.

"Events of Default" means any of the events described in Section 1204 hereof.

"Plans and Specifications" means the plans and specifications for the Project prepared from time to time by the Developer which are approved by the City in accordance with all procedures and requirements of the City for such approvals.

"Project" means the development proposed by the Developer.

ARTICLE III.
SALE: PURCHASE PRICE

Section 301. *Purchase Price*. Subject to all the terms, covenants and conditions of this Agreement, the Authority will sell the Property to the Developer for, and the Developer will purchase the Property from the Authority and pay therefor, the total amount of Fifty Thousand and 00/100 ($50,000) dollars, hereinafter called "Purchase Price," to be paid in cash or by certified check simultaneously with the delivery of the Deed (as defined below) conveying the Property to the Developer (the "Sale").

ARTICLE IV.
ESCROW AND USE OF SALE PROCEEDS

Section 401. *Escrow of Proceeds; Reimbursement of Eligible Environmental Costs*. The Authority shall place the entire sum of its proceeds from the sale of the Property into an escrow account held at Woodland Title Services. The Authority agrees that it shall use said funds to reimburse the Developer for fifty percent (50%) of eligible environmental costs incurred by the Developer, up to the amount placed in escrow at the time of closing. The Authority is not obligated to pay the Developer for any additional amount once the funds in the escrow account are exhausted.

Eligible environmental costs shall include environmental investigations, remediation or monitoring of the site, removal of hazardous waste containers, soil removal, capping, barrier installation, vapor intrusion systems and piling support systems

ARTICLE V.
ANTICIPATED CONSTRUCTION SCHEDULE

Section 501. *Construction Schedule.* It is anticipated that the construction schedule for the Project will be carried out as follows:

City Plan Approvals	July 31, 2019
Issuance of Building Permits	August 31, 2019
Start Construction	September 15, 2019
Substantial Completion	June 30, 2020

It is anticipated that the Property will be sold and conveyed as of June 1, 2019.

ARTICLE VI.
CONVEYANCE OF PROPERTY

Section 601. *Form of Deed.* The Authority shall convey to the Developer title to the Property described in Exhibit "A" by warranty deed (the "Deed"). Such conveyance and title shall be subject to all other conditions, covenants and restrictions set forth or referred to elsewhere in this Agreement, subject to:

(a) Rights or claims of parties in possession not shown by the public records;

(b) Easements or claims of easements, not shown by the public records;

(c) Encroachments, overlaps, boundary line disputes or other matters which would be disclosed by an accurate survey and inspection of the premises;

(d) Any lien or right to a lien, for services, labor, or material hereto or hereafter furnished, imposed by law and not shown by the public records; and,

(e) Such other liens, encumbrances, covenants or restrictions disclosed in the title insurance commitment to be provided by the Authority as set forth in Section 604(d) below; provided, however, that the Developer has consented to and approved of such liens, encumbrances, covenants, or restrictions as permitted encumbrances. The items referenced in Subsections (a) through (d) above and this Subsection (e) are referred to herein collectively as "Permitted Liens."

Furthermore, both the Authority and the Developer recognize and acknowledge that there may be easements, encumbrances, or reservations disclosed in the title insurance commitment with respect to the Property which will be continued, or newly created, or reserved in the conveyance of the Property from the Authority to the Developer. The Authority shall use its best efforts to minimize the impact upon the Developer's Project of any such easement(s) or encumbrance(s), and the Developer's obligation to purchase the Property shall be conditioned upon the Developer satisfying itself of the feasibility and suitability of the Property, subject to such easements or encumbrances, prior to the date of closing of the Sale.

The Authority shall, at its own expense and within two business days of the effective date of this Agreement place an order for a Title Commitment to insure the real property conveyed hereunder.

Section 602. *Time and Place for Delivery of Deed.* The closing of the Sale and conveyance of the Deed referred to herein shall occur on or before March 31, 2019 (the "Closing Date"), or such other date as mutually agreed to by the parties, at the principal office of the Authority, and the Developer shall accept such conveyance and pay the Purchase Price to the Authority at such time and place.

Section 603. *Recording of Deed.* The Developer shall promptly file the Deed for recording among the land records of Sheboygan County. The Developer shall pay all costs for so recording the Deed.

Section 604. *Conditions Precedent to the Developer's Obligations.* The Developer's obligation to conclude the Sale contemplated herein shall be subject to the Developer's satisfaction, or waiver thereof, of each of the following conditions on or prior to ten (10) days before the Closing Date:

(a) *Property Acquisition.* The Developer determining, after receipt of the survey and the environmental audit reports referenced below, and such other information as determined appropriate by the Developer, whether it will acquire the Property under this Agreement.

(b) *Financing Contingency.* The Developer obtaining a written loan commitment from a lending institution of the Developer's choice in an amount and with such terms and conditions acceptable to the Developer, within the Developer's sole discretion, for the construction of the Project and any and all Improvements (as defined below) related thereto.

(c) *Evidence of Equity Capital and Bank Mortgage Financing.* As promptly as possible, but not later than sixty (60) days after approval by the City of the Construction Plans, the Developer submitting to the Authority evidence reasonably satisfactory to the Authority that the Developer has the equity capital and commitments for mortgage financing necessary for the timely completion of construction of the Project and the Improvements.

(d) *Title.* Within twenty (20) days after the Developer's receipt of the Title Commitment, the Developer notifying the Authority in writing of any unacceptable exceptions which are disclosed in the Title Commitment; in the absence of such notification, such exceptions shall be deemed accepted by the Developer. The Title Commitment shall contain such endorsements required by the Developer, which endorsements shall be obtained at the Developer's expense. In the event Developer disapproves of any matter pertaining to title, the Developer may request and the Authority shall, upon receipt of written request from the Developer, use its best efforts to correct such defect or disapproved matter and to effectuate the same within fifteen (15) days after receipt of such request from the Developer. During such period that the Authority is attempting to cure such defect or disapproved matter, the time for satisfaction or waiver of the condition pertaining to title shall be extended for a commensurate period. Any mortgages, liens or judgments shown on the Title Commitment will be paid or satisfied by the Authority or insured over by the Title Company on or prior to the Closing Date.

In the event that the Authority elects to cure, but is unable to satisfy any such defect or disapproved matter within such fifteen (15) day period, or in the event that the Authority elects not to cure any defect or disapproved matter, the Developer may, within ten (10) days after receipt of written notice from the Authority that the Authority has been unable to cure or is unwilling to cure:

(1) terminate this Agreement by providing written notice thereof to the Authority thereby cancelling the Sale; or

(2) take title to the Property "as-is".

(e) *Survey*. The Developer obtaining a current survey of the Property (the "Survey") from the Authority made by a surveyor licensed in the State of Wisconsin.

Within thirty-five (35) days after execution of this Agreement and the Developer's review of the Survey, the Developer shall notify the Authority in writing of any unacceptable exceptions which are disclosed in the Survey; in the absence of such notification, the Survey shall be deemed accepted by the Developer. In the event the Developer disapproves of any matter pertaining to the Survey, the Developer may request and the Authority shall, upon receipt of written request from the Developer, use its best efforts to correct such defect or disapproved matter and to effectuate the same within fifteen (15) days after receipt of such request from the Developer. During such period that the Authority is attempting to cure such defect or disapproved matter, the time for satisfaction or waiver of the condition pertaining to the Survey shall be extended for a commensurate period.

If such Survey continues to show the existence of any condition that would burden, interfere with or impair the Developer's contemplated development of the Property, as determined by the Developer, within the Developer's sole discretion, the Developer may

(1) terminate this Agreement by providing written notice thereof to the Authority thereby cancelling the Sale; or

(2) accept the Property "as-is" despite the existence of such condition on the Survey.

(f) *Governmental Permits, Licenses and Approvals*. The Developer obtaining prior to Closing Date, all necessary planning and zoning approvals, licenses, and architectural approvals from the City, and/or any other applicable governmental entity or agency, for the Project and related Improvements, as determined by the Developer, within the Developer's sole discretion. The Authority agrees to use its best efforts and cooperate with the Developer in the application for any such permits, licenses and approvals.

(g) *Utility Connections*. The Developer obtaining written evidence, that sanitary sewer, storm sewer and potable water mains are located adjacent to the Property boundary line. In the event that sewer and water laterals are not stubbed off at the mains and located at the Property boundary line, the Developer shall be solely responsible for any and all costs and expenses related to bringing such sewer and water laterals to the Property boundary line.

(h) *Soil, Environmental, and Topographic Conditions.* If soil reports obtained by the Developer show the existence of any condition that would burden, interfere with or impair the Developer's contemplated development of the Property, as determined by the Developer in its sole discretion within sixty (60) days after receipt and review of the information relating to the soil and topographic conditions of the Property, the Developer may

(1) terminate this Agreement by providing written notice thereof to the Authority thereby cancelling the Sale; or

(2) accept the Property "as-is" despite the existence of such condition.

Notwithstanding the provisions of this subsection (h), the Developer has chosen to accept the Property "as-is," despite the presence of environmentally hazardous materials, conditions, or substances or the existence of any recognized or other environmental condition.

Developer accepts responsibility of known and reported issues at the date of acceptance of this Agreement, including all conditions and information explicitly or implicitly contained or referred to in the Site Investigation Report Addendum created by Stantec dated July 26, 2018.

Developer is not responsible for unforeseen underground conditions. If unforeseen conditions become detrimental to the Project, Developer can terminate this Agreement by providing written notice thereof to the Authority. In this event, the Developer, at its own cost, will return the property to pre-project green space condition. Authority agrees to purchase the property back from Developer at Fifty Thousand and 00/100 dollars, less any costs paid by the Authority to reimburse for environmental purposes pursuant to Section 401. The Authority shall have the right to cure defects relating to unforeseen conditions.

ARTICLE VII.
TIME FOR COMMENCEMENT AND COMPLETION OF IMPROVEMENTS

Section 701. Commencement. The construction of the Project shall be commenced in any event within ninety (90) days after the Closing Date of the Sale and, except as otherwise provided in this Agreement, shall be substantially completed by June 30, 2020.

ARTICLE VIII.
SPECIAL PROVISIONS

Section 801. Minimum Investment. The Developer shall utilize the Property by constructing the Project and all related improvements, at a minimum investment of Six Million and 00/100 Dollars ($6,000,000) ("Minimum Investment").

Minimum Investment includes all costs for construction of all buildings and other improvements on the Property and leasehold improvements, including, without limitation, all hard costs and expenditures as defined in Exhibit B (Developer's Construction Sources and Uses) made or incurred by the Developer, its successors or assigns, in connection with the Project, on or before the completion date of construction of the Project on the Property as required by this Agreement,

or such later date as the parties may hereafter agree, including, without limitation, any and all costs (remediation costs or otherwise) the Developer may incur with respect to any environmental contamination, hazardous materials, conditions or substances, recognized environmental conditions or any other environmental condition, which may exist on, in or with respect to the Property.

Any provision of this Agreement to the contrary notwithstanding, the Authority and the Developer hereby acknowledge and agree that the failure of the Developer, its successors or assigns, to satisfy the Minimum Investment requirements by the dates set forth herein shall not constitute a default or breach by the Developer under this Agreement nor subject the Developer, its successors or assigns, to any penalty, liability or remedy available to the Authority hereunder or otherwise available to it at law or in equity, provided that the cause of such failure by the Developer, its successors or assigns, is unavoidable delay due to (a) acts of God or other matters beyond the control of the Developer as referenced in Section 1204 below, or (b) environmental contamination, hazardous materials, conditions or substances, recognized environmental conditions or any other environmental condition, which may exist on, in or with respect to the Property not arising from the act or omission of the Developer, its successors or assigns; it being the purpose and intent of this provision that in the event of the occurrence or existence of such causes of delay, the time or times for satisfying the Minimum Investment requirements set forth herein shall be extended by the minimum period required for the completion of all necessary remediation of the Property, or a time period commensurate with the period of delay, as the case may be.

Section 802. Development Incentives. Provided that the conditions set forth in Section 604 and in in this Article are met, the city agrees to provide to the Developer each year for a maximum period of three (3) years, an annual incentive payment based on financial performance of the Development Project, in a total principal sum over the three years not to exceed $300,000 (the "Incentive Principal Amount") as an inducement to Developer for the development of the Project. The annual incentive payments shall be calculated and provided to the Developer as follows:

Each year for a maximum period of three (3) years, commencing in 2021 and ending in 2023, the City will pay the Developer a development performance incentive payment in an amount equal to the Tax Increment Revenue received by the City with respect to the real property upon which the Project is situated in that year, minus $10,000 for the City's administrative costs. The terminology "real Property upon which the Project is situated" is used in this Section to make it clear that personal property shall not be included in determining Tax Increment Revenue. The City shall make the payment due to the Developer, if any, under this Section no later than September 30 of each year, commencing in 2021. Payment by the City of the annual incentive will only be made if the Developer has paid current year property taxes (real and personal) to the City in full.

Section 803. TID Contingency. The Parties understand that the Development Incentives described in Section 802 are to be paid from funds generated by TID 10. The expenditure period for TID 10 expires on May 19, 2019, after which no agreement to incur additional expenditures may be entered into. The City's obligations hereunder are contingent upon the City meeting all requirements and obtaining approval to spend the funds described in Section 802 and the Developer executing any required documents, including this document, to effectuate incurring those expenditures prior to said TIF expenditure deadline. If the contingency set forth in this Section is not timely satisfied, amended or waived, then the City shall have no obligation to pay Development Incentives pursuant to Sections 802 and 803 herein. Additionally, nothing in this agreement serves to abrogate any separate agreement the City and Developer shall make regarding the development incentives.

ARTICLE IX.
PREPARATION OF PROPERTY FOR DEVELOPMENT

Section 901. Authority Responsibilities. The Authority shall, without expense to the Developer cooperate with the Developer, other authorities, and other agencies, their departments, officers and employees, and provide such assistance as may be reasonably requested by the Developer in connection with the fulfillment of the Developer's obligations under this Agreement.

Authority shall cooperate as needed with the Developer in its effort to obtain two easements for drive access to the property. One easement to the south of the property will allow for a curb-cut on 10th Street. Drive entrance will be immediately west and in-line with New York Avenue. One easement on the northwest corner of the property will allow for a curb-cut and drive access to N. Water Street.

Section 902. Developer's Responsibilities. The Developer shall, without expense to the Authority:

(a) Assist Authority. Cooperate with the City/Authority, other authorities, and other agencies, their departments, officers and employees, and provide such assistance as may be reasonably requested by the Authority in connection with the fulfillment of the Authority's obligations under this Agreement.

(b) Conduct Studies. Prior to the Closing Date of the Sale of the Property from the Authority, conduct sufficient market, architectural and engineering studies, soils analyses, environmental assessments and any other investigations deemed necessary by the Developer to satisfy the Developer of the feasibility and suitability of the Property to the Project.

ARTICLE X.
RIGHTS OF ACCESS TO PROPERTY

Section 1001. Right of Entry for Utility Service. The Authority reserves for itself, and any public utility company, as may be appropriate, the unqualified right to enter upon the Property at all reasonable times for the purpose of reconstructing, maintaining, repairing, or servicing the public utilities located within the Property boundary lines and provided for in the easements described or referred to in Section 601 hereof.

Section 1002. Developer Not to Construct Over Utility Easements. The Developer shall not construct any building or other structure or improvement on, over, or within the boundary lines of any easement for public utilities described or referred to in Section 601 hereof, unless such construction is provided for in such easement or has been approved by the Authority, and unless the Developer indemnifies and agrees to hold harmless the Authority and any public utility company as may be appropriate from all loss or damage to property or injury to persons arising from such construction.

Section 1003. Access to Property. Prior to the Sale of the Property by the Authority to the Developer, the Authority shall permit representatives of the Developer to have access to the Property, at all reasonable times for the purpose of obtaining data and making various tests concerning the Property necessary to carry out this Agreement. After the Sale of the Property by the Authority to the Developer, upon advance written request, the Developer shall permit the

representatives of the Authority access to the Property at all reasonable times which the Authority deems necessary for the purposes of this Agreement including, but not limited to, inspection of all work being performed in connection with the construction of the Improvements. No compensation shall be payable nor shall any charge be made in any form by any party for the access provided for in this Section.

ARTICLE XI.
CONSTRUCTIONS PLANS; CONSTRUCTION OF IMPROVEMENTS; CERTIFICATE OF COMPLETION

Section 1101. Plans for Construction of Improvements. Plans and specifications with respect to the development of the Property and the construction of Improvements thereon shall be in material conformity with this Agreement, and all applicable federal, state and local laws and regulations. As promptly as possible after the date of execution of this Agreement, but no later than ninety (90) days of execution of this Agreement, the Developer shall submit to the City, for approval by the City, plans, drawings, specifications and related documents, and the proposed construction schedule (which plans, drawings, specifications, related documents and progress schedule, together with any and all changes therein that may thereafter be made and submitted to the Authority as herein provided are, except as otherwise clearly indicated by the context, hereinafter collectively called "Construction Plans"), with respect to the Improvements to be constructed by the Developer on the Property, in sufficient completeness and detail to show that such Improvements and construction thereof will be materially in accordance with the provisions of this Agreement.

The Authority shall, if the Construction Plans originally submitted materially conform to the provisions of this Agreement, approve in writing such Construction Plans and no further filing by the Developer or approval by the Authority thereof shall be required, except with respect to any material change. Such Construction Plans shall, in any event, be deemed approved unless rejection thereof in writing by the Authority, in whole or in part, setting forth in detail the reasons therefor, shall be made within thirty (30) days after the date of their receipt by the Authority.

If the Authority, in its reasonable discretion, so rejects the Construction Plans in whole or in part as not being in material conformity with this Agreement, the Developer shall submit new or corrected Construction Plans which are in material conformity with this Agreement within thirty (30) days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans hereinabove provided with respect to the original Construction Plans shall continue to apply until the Construction Plans have been approved by the City, which approval shall not be unreasonably withheld or delayed, provided, that in any event the Developer shall submit Construction Plans which are in material conformity with the requirements of this Agreement, as determined by the Authority, no later than ninety (90) days after the date the Developer receives written notice from the Authority of the Authority's first rejection of the original Construction Plans submitted to it by the Developer.

All work with respect to the Improvements to be constructed or provided by the Developer on the Property shall be in material conformity with the Construction Plans as approved by the City. The term "Improvements," as used in this Agreement, shall be deemed to have reference to the Improvements as provided and specified in the Construction Plans as approved.

Section 1102. Changes in Construction Plans. If the Developer desires to make any material change in the Construction Plans after their approval by the City, the Developer shall submit the

proposed change to the City for its approval. If the Construction Plans, as modified by the proposed change, materially conform to the requirements of Section 1101 hereof with respect to such previously approved Construction Plans, the Authority shall approve the proposed change and notify the Developer in writing of its approval, which approval shall not be unreasonably withheld or delayed. Such change in the Construction Plans shall, in any event, be deemed approved by the Authority unless rejection thereof, in whole or in part, by written notice thereof by the Authority to the Developer, setting forth in detail the reasons therefor, shall be made within thirty (30) days after the date of the Authority's receipt of notice of such change.

Section 1103. Approvals of Construction Plans and Evidence of Financing as Conditions Precedent to Conveyance. The submission of Construction Plans and their approval by the City as provided in Section 1101 hereof, and the submission of satisfactory evidence of equity capital and commitments for mortgage financing as provided in Section 604(c) hereof, are conditions precedent to the obligations of the Developer to purchase the Property and the Authority to convey the Property to the Developer pursuant to the Sale.

ARTICLE XII.
REMEDIES

Section 1201. In General. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, or any of its terms or conditions, by either party hereto, or any successor to such party, such party (or successor) shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach and, in any event, within seventy-five (75) days after receipt of such notice. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time after the initial seventy-five (75) days, the aggrieved party may take such action as set forth under this Agreement or allowed by law as may be necessary or desirable in its opinion to cure and remedy such default or breach including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations.

Section 1202. Termination by the Authority Prior to Conveyance. In the event that:

(a) the Developer does not submit Construction Plans within the permitted time period, as required by this Agreement, or evidence that it has the necessary equity capital and mortgage financing, in reasonably satisfactory forms and in the manner and by the dates respectively provided in this Agreement therefor; or

(b) the Developer does not pay the Purchase Price and take title to the Property upon tender of Deed by the Authority pursuant to the Sale, and if any default or failure referred to in subdivisions (a) and (b) of this Section 1202 shall not be cured within thirty (30) days after the date of written demand by the Authority;

then this Agreement, and any rights of the Developer, or any assignee or transferee, in this Agreement, or arising therefrom with respect to the Authority or the Property shall, at the option of the Authority, be terminated by the Authority by written notice thereof to the Developer, in which event, neither the Developer (or assignee or transferee) nor the Authority shall have any further rights against or liability to the other under this Agreement.

Section 1203. Other Rights and Remedies of the Authority; No Waiver by Delay. The Authority shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of Article XI, including also the right to execute and record or file among

the public land records in the office in which the Deed is recorded a written declaration of the termination of all the right, title and interest of the Developer and its successors in interest and assigns in the Property, and the revesting of title thereto in the Authority. Provided, that any delay by the Authority in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Article XII shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the Authority should not be constrained (so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this Section because of concepts of waiver, laches or otherwise) to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver in fact made by the Authority with respect to any specific default by the Developer under this Section be considered or treated as a waiver of the rights of the Authority with respect to any other defaults by the Developer under this Section or with respect to the particular default except to the extent specifically waived in writing. Prior to the exercise of any right contained in this Article XII, the Developer shall have the right to remedy any default for a period of thirty (30) days after notice of said default by the Authority. The remedy provided by this section shall expire upon the satisfaction of the requirements contained in Article XI.

Section 1204. Enforced Delay in Performance for Causes Beyond Control of Party. For the purposes of any of the provisions of this Agreement, neither the Authority nor the Developer, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations with respect to the preparation of the Property for development, or the beginning and completion of construction of the Project, or progress in respect thereto, in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence including, but not restricted to, acts of God, acts of the public enemy, acts of the Federal Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unavailability of materials, unusually severe weather, or delays of subcontractors due to any of the foregoing causes; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Authority with respect to the preparation of the Property for development or of the Developer with respect to construction of the Project, or progress in respect thereto, as the case may be, shall be extended for the period of the enforced delay; provided, however, that the party seeking the benefit of the provisions of this Section shall, within ten (10) business days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof, and requested an extension for the period of the enforced delay.

Section 1205. Rights and Remedies Cumulative. The rights and remedies of the parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or any of its remedies for any other default or breach by the other party. No waiver made by either such party with respect to the performance, or manner or time thereof, or any obligation of the other party or any condition to its own obligation under this Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

Section 1206. Indemnification.

(a) The Developer releases from and covenants and agrees that the Authority, the

governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Authority Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Authority Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project, provided that the foregoing indemnification shall not be effective for any actions of the Authority Indemnified Parties that are not contemplated by this Agreement or which result from negligent acts or willful misconduct of the Authority Indemnified Parties in fulfilling the obligations of the Authority or their agents as set forth under this Agreement.

(b) Except for any negligent acts or any willful misrepresentation of the Authority Indemnified Parties, the Developer agrees to protect and defend the Authority Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or other persons acting on its behalf or under its direction or control) with respect to the Project work to be performed by the Developer under this Agreement.

(c) The Authority agrees to protect and defend the Developer, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Developer Indemnified Parties"), and further agrees to hold the Developer Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the negligence, willful misrepresentation of the Authority (or other persons acting on their behalf or under their direction or control) under this Agreement, or the transactions contemplated hereby. All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any governing body member, officer, agent, servant or employee of the Authority, as the case may be.

ARTICLE XIII.
MISCELLANEOUS

Section 1301. Conflict of Interests; Authority Representatives Not Individually Liable. No member, official or employee of the Authority shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested. No member, official or employee of the Authority shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the Authority or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

Section 1302. Provisions Not Merged with Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of the Deed transferring title to the Property from the Authority to the Developer or any successor in interest, and the Deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 1303. Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 1304. Successors and Assigns. This Agreement shall be binding upon the respective successors and assigns of the parties. Notwithstanding anything contained in this Agreement to the contrary, the Developer may assign this Agreement by one or more successive assignments at any time prior to closing to any related entity or affiliate of the Developer. Upon any such assignment, the assignee shall have the rights and obligations of the Developer hereunder and the Developer shall thereupon, automatically and without execution of further instruments or documents, be relieved and released from any obligations under this Agreement, without any further action or approval of the parties.

Section 1305. Notices and Demands. A notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(a) in the case of the Developer, is addressed to or delivered personally to the Developer at W5073 County Road O, Plymouth, Wisconsin 53073, Attn: Basil Buchko; and

(b) in the case of the City, is addressed to or delivered personally to the City, Attention: City Clerk, at 828 Center Avenue, Sheboygan, Wisconsin 53081;

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section. If delivered by registered or certified mail, such notice, demand or other communication shall be deemed delivered and received upon deposit in the U.S. Mail.

Section 1306. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Wisconsin.

Section 1307. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. Signatures delivered by facsimile, email (in pdf.) or similar electronic methods shall be deemed to be original signatures for all purposes.

Section 1308. Recording. This agreement or a memorandum of this Agreement shall be recorded in the Office of Sheboygan County Register of Deeds against the Property at the cost of the Developer.

(Signature Pages Follow)

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf by its Chairperson and Executive Director, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor and City Clerk, and the Developer has caused this Agreement to be duly executed in its name and behalf by its members, on or as of the day first above written.

REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN

By: _____
Roberta Filicky-Peneski, Chairperson

By: _____
Chad D. Pelishek, Executive Director

STATE OF WISCONSIN)
) ss.
COUNTY OF SHEBOYGAN)

This instrument was acknowledged before me on this 16th day of May, 2019, by Roberta Filicky-Peneski and Chad D. Pelishek, as Chairperson and Executive Director of the Redevelopment Authority of the City of Sheboygan, Wisconsin.

KATHRYN A. HOFFMAN NOTARY PUBLIC STATE OF WISCONSIN

_____
Notary Public
State of Wisconsin
My commission expires 1-27-22

CITY OF SHEBOYGAN

By: _____
Michael J. Vandersteen, Mayor

Attest: _____
Meredith De Bruin, City Clerk

STATE OF WISCONSIN)
) ss.
COUNTY OF SHEBOYGAN)

This instrument was acknowledged before me on this 10th day of May, 2019, by Michael J. Vandersteen and Meredith De Bruin, as Mayor and City Clerk of the City of Sheboygan, Wisconsin.

KATHRYN A. HOFFMAN NOTARY PUBLIC STATE OF WISCONSIN

_____
Notary Public
State of Wisconsin
My commission expires 1-27-22

VAN HORN DEVELOPMENT, LLC

By: _____, CFO

By: _____, Director

STATE OF WISCONSIN)
) ss.
COUNTY OF SHEBOYGAN)

This instrument was acknowledged before me on this 9th day of May, 2019, by Thomas Stucco and Christopher Merklein, ~~members~~ officers of Van Horn Development, LLC.

_____
Notary Public
State of Wisconsin
My commission ~~expires~~ is permanent

EXHIBIT "A"
Description of Property

Lots 1, 2, 3, 4, 5, 6, 9, 10, 11 and 12 of Block 132 (being all of Block 132 as platted), along with the South 40 feet of Wisconsin Avenue, between 10th and 11th Streets vacated and the West 30.3 feet of North 10th Street vacated, between New York Avenue and Wisconsin Avenue according to City of Sheboygan plat, known as the Original Plat to the City of Sheboygan Lot 9, except the South 81 feet of the East 28 feet thereof; Lot 11 and the South 50 feet of Lot 12, all in Block 125, City of Sheboygan plat, known as the Original Plat to the City of Sheboygan, Sheboygan County, Wisconsin. EXCEPTING THEREFROM lands conveyed in Deed of Dedication recorded October 3, 2006, as Document No. 1809786.

EXHIBIT "B"

Description of Property

Lots 1, 2, 3, 4, 5, 6, 9, 10, 11 and 12 of Block 132 (being all of Block 132 as platted), along with the South 40 feet of Wisconsin Avenue, between 10th and 11th Streets vacated and the West 30.3 feet of North 10th Street vacated, between New York Avenue and Wisconsin Avenue according to City of Sheboygan plat, known as the Original Plat to the City of Sheboygan Lot 9, except the South 81 feet of the East 28 feet thereof; Lot 11 and the South 50 feet of Lot 12, all in Block 125, City of Sheboygan plat, known as the Original Plat to the City of Sheboygan, Sheboygan County, Wisconsin. EXCEPTING THEREFROM lands conveyed in Deed of Dedication recorded October 3, 2006, as Document No. 1809786.

X

Gen. Ord. No. ____ - 19 - 20. By Alderperson Phillips. May 6, 2019.

AN ORDINANCE amending the City of Sheboygan Official Zoning Map of the Sheboygan Zoning Ordinance to change the Use District Classification of property located at 1316 Niagara Avenue from Class Urban Industrial (UI) to Class Urban Commercial (UC) Classification.

THE COMMON COUNCIL OF THE CITY OF SHEBOYGAN DO ORDAIN AS FOLLOWS:

Section 1. Appendix A, Chapter 15 of the Sheboygan Zoning Ordinance establishing zoning districts and prescribing zoning standards and regulations is hereby amended by changing the Official Zoning Map thereof and Use District Classification of the following described lands from Class Urban Industrial (UI) to Class Urban Commercial (UC) Classification:

Property located at 1316 Niagara Avenue described as:

ORIGINAL PLAT LOTS 12 & 13 & PRT OF LOTS 11 & 14 BLK 111 DESC AS: COM IN THE S LINE OF LOT 14,40' SE OF THE SW CORN OF SD LOT, TH NE 216' M/L PARALLEL TO THE W LINE OF LOT 14 TO THE SHORE OF THE SHEB RIVER, TH DOWNSTREAM ALG THE SHORE OF RIVER 132' M/L TO THE W R/W LINE OF C&NW RR CO MAIN TRACK, TH SLY ON SD R/W LINE 180' M/L TO THE NE CORN OF NIAGARA AVE & N COMMERCE ST, TH WLY 151.6' M/L ALG THE NLY LINE OF NIAGARA AVE TO BEG

Section 2. All ordinances or parts thereof in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict, and this ordinance shall be in effect from and after its passage and publication.

City Plan

_____

I HEREBY CERTIFY that the foregoing Ordinance was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

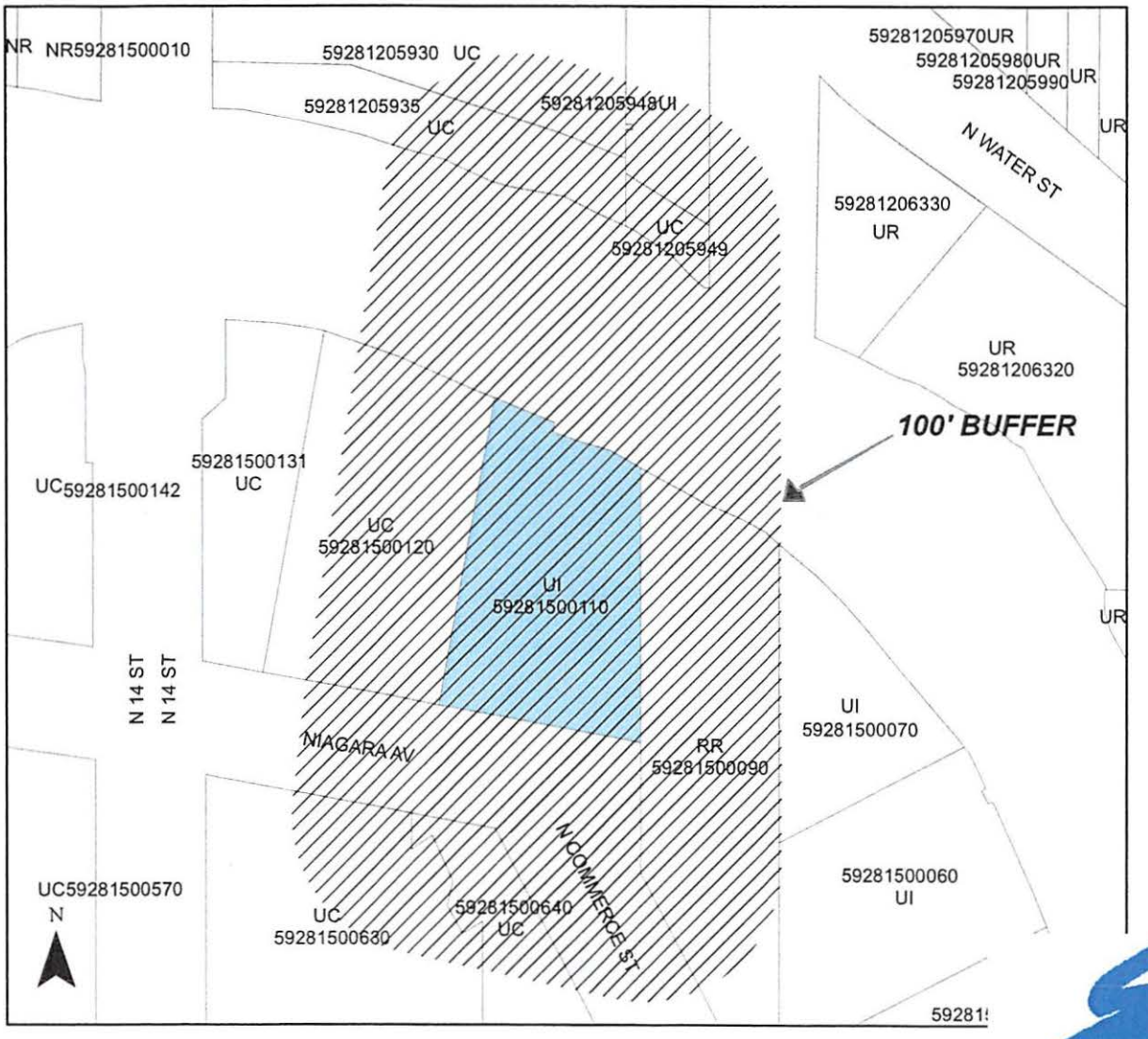
Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

PROPOSED REZONE OF PARCEL NO. 59281500110 FROM URBAN INDUSTRIAL (UI) TO URBAN COMMERCIAL (UC)

Town: 15N Range: 23E Section: 22

ORIGINAL PLAT LOTS 12 & 13 & PRT OF LOTS 11 & 14 BLK 111 DESC AS: COM IN THE S LINE OF LOT 14,40' SE OF THE SW CORN OF SD LOT, TH NE 216' M/L PARALLEL TO THE W LINE OF LOT 14 TO THE SHORE OF THE SHEB RIVER, TH DOWNSTREAM ALG THE SHORE OF RIVER 132' M/L TO THE W R/W LINE OF C&NW RR CO MAIN TRACK, TH SLY ON SD R/W LINE 180' M/L TO THE NE CORN OF NIAGARA AVE & N COMMERCE ST, TH WLY 151.6' M/L ALG THE NLY LINE OF NIAGARA AVE TO BEG



City of Sheboygan
spirit on the lake.

Gen. Ord. No. ____ - 19 - 20. By Alderpersons Sorenson and Mitchell.
May 6, 2019.

AN ORDINANCE repealing and recreating various sections of the Municipal Code so as to reflect the name change of the senior activity center department to the senior services department.

THE COMMON COUNCIL OF THE CITY OF SHEBOYGAN DO ORDAIN AS FOLLOWS:

Section 1. Section 2-726 of the Municipal Code entitled "Composition" is hereby repealed and recreated to read as follows:

"Sec. 2-726. Composition.

The senior activity center commission shall consist of nine voting members, composed of eight citizen members and one council member. The director of senior services shall be a non-voting ex-officio member. A minimum of three of the citizen members shall be members of the Friends of the Senior Activity Center. The names of the citizen members shall be recommended to the mayor by the senior activity center commission, and shall represent a cross-section of the community. Final appointments shall be made by the mayor, subject to approval by the common council."

Section 2. Section 82-70 of the Municipal Code entitled "Non-represented, exempt employees" is hereby repealed and recreated to read as follows:

"Sec. 82-70. Non-represented, exempt employees.

The following non-represented employees are exempt under the Fair Labor Standards Act:

Attorney Department
City attorney (elected)
Assistant city attorney

Assessor Department
City assessor

City Administrator Department
City Administrator

Finance Department
Finance director
Comptroller/treasurer
Auditor/analyst
Accountant

Public Works Department
- Director of public works
- City engineer
- Superintendent - WWTP
- Superintendent of streets
- Superintendent of parks
- Superintendent of buildings and grounds
- Maintenance supervisor - WWTP
- Vehicle and equipment supervisor
- Supervisor of operations—Streets
- Environmental engineer
- Chemist - WWTP
- Naturalist

Fire Department
- Fire chief
- Assistant fire chief
- Deputy chief
- Battalion chief

City Clerk's Department
- City clerk (elected)

Police Department
- Chief of police
- Administrative assistant/Office supervisor

Human Resources Department
- Director of human resources
- Benefits analyst

City Development Department
- Director of city development
- Planning and zoning manager
- Community development specialist
- Neighborhood development planner

Information Technology Department
- Information technology director
- Systems analyst
- TV programmer director - WSCS
- TV production coordinator - WSCS

Parking and Transit Utility
- Director of parking and transit

Transit operations supervisor/dispatch

Senior Services Department
Director of senior services

Municipal Court
PT municipal court judge (elected)

Mayor's Office
Mayor (elected)"

Section 3. All ordinances or parts thereof in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict, and this ordinance shall be in effect from and after its passage and publication.

_____

_____

I HEREBY CERTIFY that the foregoing Ordinance was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated_____ 20____. _____, City Clerk

Approved_____ 20____. _____, Mayor

X

Gen. Ord. No. _____ - 19 - 20. By Alderpersons Wolf and Sorenson.
May 6, 2019.

AN ORDINANCE placing stop signs at the northwest and southeast corners of the intersection of S. 22nd Street and Elm Avenue and removing them from the southwest and northeast corners of said intersection.

THE COMMON COUNCIL OF THE CITY OF SHEBOYGAN DO ORDAIN AS FOLLOWS:

Section 1. Gen. Ord. No. 22-13-14, which placed stop signs requiring eastbound and westbound traffic on Elm Avenue to stop at the intersection of S. 22nd Street and Elm Avenue (and thereby repealed Gen. Ord. No. 37-93-94, which placed yield signs requiring traffic on S. 22nd Street to yield to traffic on Elm Avenue), is hereby repealed.

Section 2. Pursuant to Section 118-51 of the Municipal Code entitled, "Erection of Official Signs," stop signs shall be added requiring northbound and southbound traffic on S. 22nd Street to stop at the intersection of S. 22nd Street and Elm Avenue.

Section 3. The Department of Public Works and the Police Department are hereby authorized and directed to remove signs conflicting with this ordinance and to add appropriate signs to give notification of the aforementioned change.

Section 4. All ordinances or parts thereof in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict, and this ordinance shall be in effect from and after its passage and publication.

_____

_____

Public Works

I HEREBY CERTIFY that the foregoing Ordinance was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated_____ 20____. _____, City Clerk

Approved_____ 20____. _____, Mayor

II

Other Matters

R. O. No. 15 - 19 - 20. By CITY CLERK. May 6, 2019.

Submitting various license applications for the period ending December 31, 2019, June 30, 2020 and June 30, 2021.

City Clerk

BEVERAGE OPERATOR'S LICENSE (NEW) (June 30, 2020)

No.	Name	Address
2755	Aikins, Mary K.	817 High Avenue
2720	Burch, William M.	2419 Erie Avenue
2732	Choulamountry, Gilchrist G.	3017 Michigan Avenue
2727	Douglas, Michelle S.	N6167 Chanda Court, Sheboygan Falls
2747	Ellersick, Jessica L.	2010 N. 12th Street
2742	Frank, Anthony W.	734 N. 7th Street #109
2724	Gierke, Anthony R.	1419 Geele Avenue
2749	Gifford, Pamela K.	1006 Broadway Avenue
2750	Hanke, Sharon A.	2238 Fairfield Lane, Plymouth
2733	Landgraf, Hope R.	1807 Cardinal Parkway
2748	Rada, Elisabeth R.	2129 Bollmann Drive #1D
2730	Schneider, Amy J.	1724 S. 11th Street Apt. A
0483	Strysick, Shannon N.	1338 Main Avenue
2746	Yang, Shoua	721 S. 15th Street

BEVERAGE OPERATOR'S LICENSE (NEW) (June 30, 2021)

No.	Name	Address
2763	Bogart, Andrea C.	16 South Hiawatha Circle
5335	Fields, John C.	611 Meadow Lane, Sheboygan Falls
2762	Gulseth, Brianna M.	1519 Dewey Street, Manitowoc
2760	Jaishi, Lok R.	916 Mulberry Lane, Kohler
2761	Larson, Austin C.	3820 N. 13th Street
6295	Lilyquist, Cynthia T.	W3089 State Rd. 28, Sheboygan Falls
2758	Lohse, Gene R.	2106 S. 14th Street
1258	Samsal, Alexia P.	1424 S. 8th Street

BEVERAGE OPERATOR'S LICENSE (RENEW) (June 30, 2021)

No.	Name	Address
9030	Benish, Leland J. (Club)	2513 N. 9th Street
8239	Bridges, John L. (Club)	2221 Cooper Avenue
7672	Decker, Dennis E. (Club)	N7122 Riverwoods Drive
1762	Decker, Kyle R. (Club)	4318 White Oak Lane
0293	Dodge, Evelyn V.	3952 Meadowbrook Ct #A
7468	Draughon, Roman J.	1702 Alexander Court
8362	Drews, Barry R. (Club)	2335 N. 15th Street
2128	Dulmes, Kyle B.	3105 N. 25th Street
1605	Emmer, Tamie A.	906 S. 15th Street
5860	Firgens, Todd C.	1828 S. 12th Street
2014	Freitag, David C.	3742 N. 12th Place
2993	Hemsing, Steven R.	1159 Cherry Lane
2010	Hickmann, Rosemary	1408 Eisner Avenue Apt. 3
9969	Horness, Katheryn J.	824 Roosevelt Road, Howards Grove
8951	Kraemer, Lois C.	1612A Martin Avenue
8240	Ludwig, Malyssa A.	1219 S. 21st Street
8289	Madson, James A.	2830 S. 22nd Street
1854	Matuschka, John M. (Club)	1702 Kaat Lane
8543	Mikalowsky, Tonya L.	2106 S. 14th Street
1940	Miller, Destiny	603 Petra Lane
4384	Reese, Shannon M.	3132 N. 8th Street
6929	Violetta, Jason A.	1813 S. 11th Street
4924	Vugrinovich, Laura J.	1214 Georgia Avenue

CHANGE OF PREMISE

No.	Name	Address
2943	Superior Bar & Grill	2607 Superior Avenue - One day event to be held June 15, 2019 to include parking lot north and west of building for one day event.
2943	Superior Bar & Grill	2607 Superior Avenue - One day event to be held July 30, 2019 to include parking lot north and west of building for one day event.
2943	Superior Bar & Grill	2607 Superior Avenue - One day event to be held September 14, 2019 to include parking lot north and west of building for one day event.

2943 Superior Bar & Grill	2607 Superior Avenue - One day event to be held September 28, 2019 to include parking lot north and west of building for one day event.
1420 VFW Post 9156	552 S. Evans Street - One day event June 22, 2019 to include frying area. North end between building and garage. also outside of South entrance of building sidewalk area.

CLASS "A" LIQUOR LICENSE (RENEW) (June 30, 2020)

No.	Name	Address
3357	Alex's Corner Market	723 Center Avenue
3187	Sheboygan Liquor Depot	810 N. 14th Street
2702	Tietzs Piggly Wiggly #331	2905 N. 15th Street
3214	Tietzs Piggly Wiggly #332	3124 S. Business Drive

CLASS "A" BEER LICENSE (RENEW) (June 30, 2020)

No.	Name	Address
2404	Dicks Northeast Standard I	905 Erie Avenue
2984	Everest Enterprises	1710 Indiana Avenue
3243	Sheboygan Harbor Petro	905 Indiana Avenue
2710	The Pig Stop II	2917 N. 15th Street
3007	Tidy Store of Sheboygan	810 N. 14th Street

"CLASS B" BEER LICENSE (RENEW) (June 30, 2020)

No.	Name	Address
3362	Jay's	1710 Indiana Avenue
1328	Sheboygan Athletic Club	2338 New Jersey Avenue
3018	Pho VN	2209 South Business Drive
2604	Z Spot Espresso & Coffee	1024 Indiana Avenue

"CLASS B" LIQUOR LICENSE (RENEW) (June 30, 2020)

No.	Name	Address
3389	Al & Al's I	1502 S. 12th Street
2880	Anglers Avenue Pub & Grill	518 South Pier Drive
2762	Braveheart Pub I	2120 Calumet Drive
1040	Brennans on Michigan	1101 Michigan Avenue
1511	Dennys Bar	2140 Calumet Drive
2373	Duke of Devon, The	739 Riverfront Drive
1516	Emmers	906 S. 15th Street
1525	Fountain Park Lounge	922 N. 8th Street
3136	Franks Place	3023 N. 15th Street
3117	Harbor Lights IV	434 Pennsylvania Avenue
2192	Harry's Diner	2504 Calumet Drive
2849	Hops Haven	1327 N. 14th Street
1926	Il Ritrovo	515 S. 8th Street
3120	Northstar I	3004 N. 8th Street
1699	On the House	1153 High Avenue
2563	Penn Ave Pub II	827 Pennsylvania Avenue
3325	Power Pubs	511 Kiwanis Park Drive
1680	Scenic Bar	1635 Indiana Avenue
3355	Sharpie's on Broadway	1645 S. 12th Street
3198	Skiper Inn	808 Broadway Avenue
2207	The Silver Fern	2538 N. 15th Street
1411	Tommy's Bar	2335 N. 15th Street
1412	Trattoria Stefano	522 S. 8th Street
3373	Union Tap Bar	1401 Union Avenue
1420	VFW Post 9156	552 S. Evans Street
2100	What's Up	1635 Michigan Avenue
3250	Work Zone Bar and Grill	4604 S. Business Drive

CLASS "C" WINE LICENSE (RENEW) (June 30, 2020)

No.	Name	Address
3018	Pho VN	2209 South Business Drive
2604	Z Spot Espresso & Coffee	1024 Indiana Avenue

CLASS "A" LIQUOR LICENSE (NEW) (June 30, 2020)

No.	Name	Address
3399	Foodworks	731 Pennsylvania Avenue

"CLASS B" LIQUOR LICENSE (NEW) (June 30, 2020)

No.	Name	Address
3397	Applebee's I	526 South Taylor Drive

TAXICAB DRIVERS LICENSE (NEW) (December 31, 2019)

No.	Name	Address
2753	Cassel, Michael A.	625 S. 14th Street
2756	Dessart, Margaret E.	N5565 State Road 57, Plymouth
2728	Magritz, Alicia L.	1345 16th Avenue #5, Grafton
2754	Razo Valle, Sharon Y.	1214 S. 9th Street
4270	Swita, Jeffrey A.	16820 CTH M, Cleveland
8443	Wills, Michael R.	617 Huron Avenue Apt. 3