

**\*\*\*ATTACHMENTS\*\*\***

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** R.O. No. 39-19-20: A request from the City Administrator on behalf of the Sheboygan County Economic Development Corporation (SCEDC) requesting use of one of the City's days for 2019, Wednesday, November 13, 2019, for the SCEDC Annual Meeting to be held at the Blue Harbor Convention Center.

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**REPORT PREPARED BY:** Darrell Hofland, City Administrator

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**REPORT DATE:** June 13, 2019

**MEETING DATE:** June 24, 2019

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

The SCEDC hosts its Annual Meeting in November. This is their largest meeting of the year, including recognition of the largest economic driving business entity in Sheboygan County.

**STAFF COMMENTS:**

These free days are provided in the development agreement since the city owns the conference center and Blue Harbor operates it on the city's behalf. Hosting events such as this one mentioned above allow the city to showcase many of the amenities and features Sheboygan has to offer.

**ACTION REQUESTED:**

Motion to recommend the Common Council receive R.O. 39-19-20 and adopt the recommendation.

**ATTACHMENTS:**

- I. R.O. 39-19-20

II

3.2

R. O. No. 39 - 19 - 20. By CITY ADMINISTRATOR. June 17, 2019.

Submitting a request from Darrell Hofland on behalf of the Sheboygan County Economic Development Corporation (SCEDC) requesting use of one of the City days for 2019, Wednesday, November 13, 2019 for the 2019 SCEDC Annual Meeting to be held at the Blue Harbor Convention Center.

*Finance +  
Personnel*

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CITY ADMINISTRATOR

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** Res. No. 42-19-20 by Alderpersons Donohue and Bohren. Resolution providing for the sale of \$6,655,000 General Obligation Corporate Purpose Bonds, Series 2019A.

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**REPORT PREPARED BY:** Marty Halverson, Finance Director

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**REPORT DATE:** July 9, 2019

**MEETING DATE:** July 15, 2019

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

The City of Sheboygan is preparing for issuance of General Obligation Corporate Purpose Bonds, Series 2019A in the amount of \$6,655,000 for the following not to exceed "projects":

- \$1,100,000 for garbage and recycling trucks
- \$110,000 for fire engines and other equipment
- \$278,000 for construction of engine houses, consisting of fire station improvements
- \$2,722,000 for street improvement projects
- \$760,000 for bridge projects
- \$107,000 for library projects
- \$123,000 for parks and public grounds projects

In addition to the "projects" listed above the issuance will include:

- \$1,455,000 public purpose of refunding obligations of the City

The General Obligation Corporate Purpose Bonds are scheduled to be offered for public sale on July 15, 2019 with an issue date of July 29, 2019.

**STAFF COMMENTS:**

Staff members have been in discussions with Carol Wirth of WI Public Finance Professional LLC to coordinate the sale of these General Obligation Corporate Purpose Bonds, dated July 29, 2019.

**ACTION REQUESTED:**

Motion to recommend the Common Council adopt Res. No. 42-19-20 by Alderpersons Donohue and Bohren.

**ATTACHMENTS:**

- I. Res. No. 42-19-20

III

4.1

Res. No. 42 - 19 - 20. By Alderpersons Donohue and Bohren.  
June 17, 2019.

RESOLUTION AWARDING THE SALE OF \$6,655,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A.

WHEREAS, on June 3, 2019, the Common Council of the City of Sheboygan, Sheboygan County, Wisconsin (the "City") adopted (a) an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$1,100,000 for the public purpose of paying the cost of garbage disposal projects, consisting of acquisition of garbage and recycling trucks; (b) an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$110,000 for the public purpose of paying the cost of acquisition of fire engines and other equipment of the fire department; (c) an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$278,000 for the public purpose of paying the cost of construction of engine houses, consisting of fire station improvements; (d) an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$2,722,000 for the public purpose of paying the cost of street improvement projects; (e) an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$760,000 for the public purpose of paying the cost of bridge projects; (f) an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$107,000 for the public purpose of paying the cost of library projects; and (g) an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$123,000 for the public purpose of paying the cost of parks and public grounds projects (collectively, the "Project"); (the above-referenced initial resolutions are referred to herein as the "Initial Resolutions");

WHEREAS, pursuant to the provisions of Section 67.05, Wisconsin Statutes, within 15 days following the adoption of the Initial Resolutions, the City Clerk caused a notice to electors to be published in the Sheboygan Press, stating the purpose and maximum principal amount of the bond issues authorized by the Initial Resolutions and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issues authorized by the Initial Resolutions;

WHEREAS, no petition for referendum was filed with the City Clerk, and the time to file such a petition has expired;

WHEREAS, on June 3, 2019, the Common Council of the City also adopted a resolution (the "Set Sale Resolution") authorizing the issuance of

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\* Preliminary, subject to change.

Finance +  
Personnel

approximately \$1,455,000 general obligation bonds for the public purpose of refunding obligations of the City, including interest on them, to wit: the General Obligation Promissory Notes, Series 2012A, dated May 10, 2012 (the "Refunded Obligations") (the "Refunding") and providing that such general obligation bonds and the general obligation bond issues authorized by the Initial Resolutions be combined, issued and sold as a single issue of bonds designated as "General Obligation Corporate Purpose Bonds, Series 2019A" (the "Bonds") for the purpose of paying the cost of the Project and the Refunding;

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations for the purpose of achieving debt service savings;

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Wisconsin Public Finance Professionals, LLC ("WFPF") to take the steps necessary to sell the Bonds to pay the cost of the Project and the Refunding;

WHEREAS, WFPF, in consultation with the officials of the City, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on July 15, 2019;

WHEREAS, the City Clerk (in consultation with WFPF) caused a form of notice of the sale to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on July 15, 2019;

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

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

WHEREAS, the Common Council now deems it necessary, desirable and in the best interest of the City that the Bonds be issued in the aggregate principal amount of \$ \_\_\_\_\_ for the following purposes and in the following amounts: \$ \_\_\_\_\_ for garbage disposal projects, consisting of acquisition of garbage and recycling trucks;

\$ \_\_\_\_\_ for acquisition of fire engines and other equipment of the fire department; \$ \_\_\_\_\_ for construction of engine houses, consisting of fire station improvements; \$ \_\_\_\_\_ for street improvement projects; \$ \_\_\_\_\_ for bridge projects; \$ \_\_\_\_\_ for library projects; \$ \_\_\_\_\_ for parks and public grounds projects; and \$ \_\_\_\_\_ for refunding the Refunded Obligations.

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

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

Section 1A. Award of the Bonds. For the purpose of paying the cost of the Project and the Refunding, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes, the Initial Resolutions, the Set Sale Resolution, and this Resolution, the principal sum of SIX MILLION SIX HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$6,655,000)\* from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal, is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer and applied in accordance with the Official Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Corporate Purpose Bonds, Series 2019A"; shall be issued in the aggregate principal amount of \$6,655,000\*; shall be dated July 29, 2019; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear

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\*Preliminary, subject to change.

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interest at the rates per annum and mature on December 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2020. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds maturing on December 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2029 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2019 through 2033 for payments due in the years 2020 through 2034 in the amounts set forth on the Schedule.

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

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be

paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

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

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Corporate Purpose Bonds, Series 2019A" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

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

Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

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

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

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an

arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

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

Section 10. Execution of the Bonds; Closing; Professional Services.

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

Section 11. Payment of the Bonds; Fiscal Agent.

The principal of and interest on the Bonds shall be paid by the City Clerk or the City Treasurer (the "Fiscal Agent").

Section 12. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. The registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

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

Section 13. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

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

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

Section 16. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

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

Section 17. Redemption of the Refunded Obligations. The Refunded Obligations due April 1, 2020 and thereafter are hereby called for prior payment and redemption on August 16, 2019 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with WFPF to cause timely notice of redemption, in substantially the form attached hereto as Exhibit F and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice. Any and all actions heretofore taken by the officers and agents of the City to effectuate the redemption of the Refunded Obligations are hereby ratified and approved.

Section 18. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

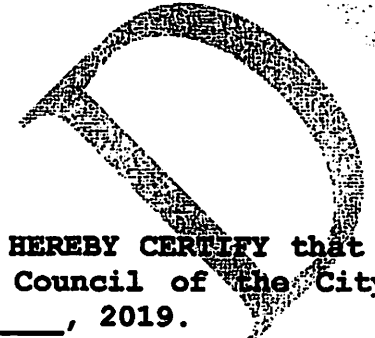
Section 19. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal

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

Section 20. Conflicting Resolutions; Severability; Effective Date.

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

*[Handwritten Signature]*  
\_\_\_\_\_  
*[Handwritten Signature]*  
\_\_\_\_\_



I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_ day of \_\_\_\_\_, 2019.

Dated \_\_\_\_\_, 2019. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_, 2019. \_\_\_\_\_, Mayor

EXHIBIT A

Official Notice of Sale

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Wisconsin Public Finance Professionals, LLC and  
incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Wisconsin Public Finance Professionals, LLC and  
incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS  
STATE OF WISCONSIN  
SHEBOYGAN COUNTY  
NO. R- \_\_\_\_\_ CITY OF SHEBOYGAN \$ \_\_\_\_\_  
GENERAL OBLIGATION CORPORATE PURPOSE BOND, SERIES 2019A

MATURITY DATE: ORIGINAL DATE OF INTEREST RATE: CUSIP:  
ISSUE:

December 1, \_\_\_\_\_ July 29, 2019 \_\_\_\_\_ % \_\_\_\_\_

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ THOUSAND DOLLARS  
(\$ \_\_\_\_\_)

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2020 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by the City Clerk or City Treasurer (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for

that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$ \_\_\_\_\_, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, in the amount of \$ \_\_\_\_\_ for the public purpose of paying the cost of garbage disposal projects, consisting of acquisition of garbage and recycling trucks; in the amount of \$ \_\_\_\_\_ for the public purpose of paying the cost of acquisition of fire engines and other equipment of the fire department; in the amount of \$ \_\_\_\_\_ for the public purpose of paying the cost of construction of engine houses, consisting of fire station improvements; in the amount of \$ \_\_\_\_\_ for the public purpose of paying the cost of street improvement projects; in the amount of \$ \_\_\_\_\_ for the public purpose of paying the cost of bridge projects; in the amount of \$ \_\_\_\_\_ for the public purpose of paying the cost of library projects; in the amount of \$ \_\_\_\_\_ for the public purpose of paying the cost of parks and public grounds projects; and in the amount of \$ \_\_\_\_\_ for the public purpose of paying the cost of refunding obligations of the City, as authorized by resolutions adopted on June 3, 2019 and July 15, 2019. Said resolutions are recorded in the official minutes of the Common Council for said dates.

The Bonds maturing on December 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2029 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include

but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrevocable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and

interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

DRAFT

IN WITNESS WHEREOF, the City of Sheboygan, Sheboygan County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF SHEBOYGAN  
SHEBOYGAN COUNTY, WISCONSIN

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

Michael J. Vandersteen  
Mayor

(SEAL)

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

Meredith DeBruin  
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
(e.g. Bank, Trust Company  
or Securities Firm)

\_\_\_\_\_  
(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\_\_\_\_\_  
(Authorized Officer)

EXHIBIT F

NOTICE OF FULL CALL\*

Regarding

CITY OF SHEBOYGAN  
SHEBOYGAN COUNTY, WISCONSIN  
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2012A,  
DATED MAY 10, 2012

NOTICE IS HEREBY GIVEN that the Notes of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on August 16, 2019 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
04/01/2020	\$490,000	2.00 %	82102RAX3
04/01/2021	500,000	2.00	82102RAY1
04/01/2022	510,000	2.125	82102RAZ8

The City shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before August 16, 2019.

Said Notes will cease to bear interest on August 16, 2019.

By Order of the  
Common Council  
City of Sheboygan  
City Clerk

Dated \_\_\_\_\_

\* To be provided by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by The Depository Trust Company, to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to August 16, 2019 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at [www.emma.msrb.org](http://www.emma.msrb.org).

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** Res. No. 43-19-20 by Alderpersons Donohue and Bohren. Resolution providing for the sale of \$4,225,000 General Obligation Community Development Bonds, Series 2019B.

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**REPORT PREPARED BY:** Marty Halverson, Finance Director

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**REPORT DATE:** July 9, 2019

**MEETING DATE:** July 15, 2019

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

The City of Sheboygan is preparing for issuance of General Obligation Community Development Bonds, Series 2019B in the amount of \$4,225,000.

The General Obligation Community Development Bonds are scheduled to be offered for public sale on July 15, 2019 with an issue date of July 29, 2019.

**STAFF COMMENTS:**

Staff members have been in discussions with Carol Wirth of WI Public Finance Professional LLC to coordinate the sale of these General Obligation Corporate Purpose Bonds, dated July 29, 2019.

**ACTION REQUESTED:**

Motion to recommend the Common Council adopt Res. No. 43-19-20 by Alderpersons Donohue and Bohren.

**ATTACHMENTS:**

- I. Res. No. 43-19-20

III

4.2

Res. No. 43 - 19 - 20. By Alderpersons Donohue and Bohren.  
June 17, 2019.

RESOLUTION AWARDING THE SALE OF \$4,225,000 GENERAL OBLIGATION  
COMMUNITY DEVELOPMENT BONDS, SERIES 2019B.

WHEREAS, on June 3, 2019, the Common Council of the City of Sheboygan, Sheboygan County, Wisconsin (the "City") adopted an initial resolution (the "Initial Resolution") authorizing the issuance of general obligation bonds in an amount not to exceed \$4,225,000 for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, in the City's Tax Incremental Districts (the "Project");

WHEREAS, pursuant to the provisions of Section 67.05, Wisconsin Statutes, within 15 days following the adoption of the Initial Resolution, the City Clerk caused a notice to electors to be published in the Sheboygan Press, stating the purpose and maximum principal amount of the bond issue authorized by the Initial Resolution and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issue authorized by the Initial Resolution;

WHEREAS, no petition for referendum was filed with the City Clerk, and the time to file such a petition has expired;

WHEREAS, on June 3, 2019, the Common Council of the City also adopted a resolution (the "Set Sale Resolution"), providing that the general obligation bond issue authorized by the Initial Resolution be issued and sold as bonds designated as "General Obligation Community Development Bonds, Series 2019B" (the "Bonds") for the purpose of paying the cost of the Project;

WHEREAS, the Common Council hereby finds and determines that the Project is within the City's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Wisconsin Public Finance Professionals, LLC ("WPPF") to take the steps necessary to sell the Bonds to pay the cost of the Project;

WHEREAS, WPPF, in consultation with the officials of the City, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on July 15, 2019;

Finance  
Personnel

WHEREAS, the City Clerk (in consultation with WFPF) caused a form of notice of the sale to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on July 15, 2019;

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

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

WHEREAS, the Common Council now deems it necessary, desirable and in the best interest of the City that the Bonds be issued in the aggregate principal amount of \$ \_\_\_\_\_

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

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

Section 1A. Award of the Bonds. For the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes and the Initial Resolution, the principal sum of FOUR MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$4,225,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal, is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer and applied in accordance with the Official Notice of Sale, and any good faith deposits submitted by unsuccessful

bidders shall be promptly returned. The Bonds shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Community Development Bonds, Series 2019B"; shall be issued in the aggregate principal amount of \$4,225,000; shall be dated July 29, 2019; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on December 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2020. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds maturing on December 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2029 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2019 through 2037 for payments due in the years 2020 through 2038 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for

said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

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

Section 6. Segregated Debt Service Fund Account.

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

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Community Development Bonds, Series 2019B" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be

invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

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

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

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the ownership, management and use of the projects will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not

take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

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

Section 10. Execution of the Bonds; Closing; Professional Services.

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

Section 11. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the City Clerk or the City Treasurer (the "Fiscal Agent").

Section 12. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

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

Section 13. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 15. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of

SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 16. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

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

Section 17. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 18. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 19. Conflicting Resolutions; Severability; Effective Date.

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

*James A. Bohre*  
\_\_\_\_\_  
*James A. Bohre*  
\_\_\_\_\_

RESOLUTION

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_ day of \_\_\_\_\_, 2019.

Dated \_\_\_\_\_, 2019. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_, 2019. \_\_\_\_\_, Mayor

EXHIBIT A

Official Notice of Sale

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS  
STATE OF WISCONSIN  
SHEBOYGAN COUNTY  
NO. R- \_\_\_\_\_ CITY OF SHEBOYGAN \$ \_\_\_\_\_  
GENERAL OBLIGATION COMMUNITY DEVELOPMENT BOND, SERIES 2019B

MATURITY DATE: ORIGINAL DATE OF INTEREST RATE: CUSIP:  
ISSUE:  
December 1, \_\_\_\_\_ July 29, 2019 \_\_\_\_\_ % \_\_\_\_\_

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO

PRINCIPAL AMOUNT: \_\_\_\_\_ THOUSAND DOLLARS  
(\$ \_\_\_\_\_)

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2020 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by the City Clerk or City Treasurer (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$4,225,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the public purposes of paying the cost of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, in the City's Tax Incremental Districts, as authorized by resolutions adopted on June 3, 2019 and July 15, 2019. Said resolutions are recorded in the official minutes of the Common Council for said dates.

The Bonds maturing on December 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2029 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository, at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrevocable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of Sheboygan, Sheboygan County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF SHEBOYGAN  
SHEBOYGAN COUNTY, WISCONSIN

By: \_\_\_\_\_  
Michael J. Vandersteen  
Mayor

(SEAL)

By: \_\_\_\_\_  
Meredith DeBruin  
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
(e.g. Bank, Trust Company or Securities Firm)

\_\_\_\_\_  
(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\_\_\_\_\_  
(Authorized Officer)

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** Res. No. 44-19-20 by Alderpersons Donohue and Bohren. Resolution providing for the sale of \$3,315,000 Taxable General Obligation Refunding Bonds, Series 2019C.

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**REPORT PREPARED BY:** Marty Halverson, Finance Director

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**REPORT DATE:** July 9, 2019

**MEETING DATE:** July 15, 2019

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

The City of Sheboygan is preparing for issuance of Taxable General Obligation Refunding Bonds, Series 2019C in the amount of \$3,315,000.

The Taxable General Obligation Refunding Bonds are scheduled to be offered for public sale on July 15, 2019 with an issue date of July 29, 2019.

**STAFF COMMENTS:**

Staff members have been in discussions with Carol Wirth of WI Public Finance Professional LLC to coordinate the sale of these General Obligation Corporate Purpose Bonds, dated July 29, 2019.

**ACTION REQUESTED:**

Motion to recommend the Common Council adopt Res. No. 44-19-20 by Alderpersons Donohue and Bohren.

**ATTACHMENTS:**

- I. Res. No. 44-19-20

III

4.3

Res. No. 44 - 19 - 20. By Alderpersons Donohue and Bohren.  
June 17, 2019.

RESOLUTION AWARDING THE SALE OF \$3,315,000 TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019C.

WHEREAS, on June 3, 2019, the Common Council of the City of Sheboygan, Sheboygan County, Wisconsin (the "City") adopted a resolution (the "Set Sale Resolution"), providing for the sale of approximately \$3,315,000 Taxable General Obligation Refunding Bonds, Series 2019C (the "Bonds") for the public purpose of refunding certain outstanding obligations of the City, to wit: Taxable General Obligation Refunding Bonds, Series 2010B, dated June 23, 2010, (the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding");

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations for the purpose of achieving debt service savings;

WHEREAS, the City is authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation refunding bonds to refinance its outstanding obligations;

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue such Bonds on a taxable rather than tax-exempt basis;

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Wisconsin Public Finance Professionals, LLC ("WFPF") to take the steps necessary to sell the Bonds to pay the cost of the Refunding;

WHEREAS, WFPF, in consultation with the officials of the City, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on July 15, 2019;

WHEREAS, the City Clerk (in consultation with WFPF) caused a form of notice of the sale to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on July 15, 2019;

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\* Preliminary, subject to change.

Finance Personnel

QB\57983717.1

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

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

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

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

Section 1A. Authorization and Award of the Bonds. For the purpose of paying the cost of the Refunding, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes, the principal sum of THREE MILLION THREE HUNDRED FIFTEEN THOUSAND DOLLARS (\$3,315,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal, is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer and applied in accordance with the Official Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "Taxable General Obligation Refunding Bonds, Series 2019C"; shall be issued in the aggregate principal amount of \$3,315,000; shall be dated

\* Preliminary, subject to change.

\* Preliminary, subject to change.

July 29, 2019; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on April 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2020. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds are not subject to optional redemption.

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

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2019 through 2026 for payments due in the years 2020 through 2027 in the amounts set forth on the Schedule.

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

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

Section 6. Segregated Debt Service Fund Account.

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

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for Taxable General Obligation Refunding Bonds, Series 2019C" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

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

Investments"), which investments shall continue to be a part of the Debt Service Fund Account.

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

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

Section 8. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore

entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 9. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the City Clerk or the City Treasurer (the "Fiscal Agent").

Section 10. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

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

Section 11. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 12. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 13. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 14. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

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

Section 15. Redemption of the Refunded Obligations. The Refunded Obligations are hereby called for prior payment and redemption on August 16, 2019 at a price of par plus accrued interest to the date of redemption.

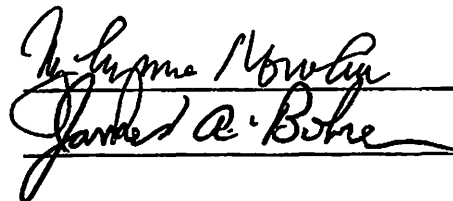
The City hereby directs the City Clerk to work with WFPF to cause timely notice of redemption, in substantially the form attached hereto as Exhibit F and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice. Any and all actions heretofore taken by the officers and agents of the City to effectuate the redemption of the Refunded Obligations are hereby ratified and approved.

Section 16. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book")

and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 17. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 18. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.



James A. Bohre

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_ day of \_\_\_\_\_, 2019.

Dated \_\_\_\_\_, 2019. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_, 2019. \_\_\_\_\_, Mayor

EXHIBIT A

Official Notice of Sale

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Wisconsin Public Finance Professionals, LLC  
and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS  
STATE OF WISCONSIN  
SHEBOYGAN COUNTY  
NO. R- \_\_\_\_\_ CITY OF SHEBOYGAN \$ \_\_\_\_\_  
TAXABLE GENERAL OBLIGATION REFUNDING BOND, SERIES 2019C

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:  
April 1, \_\_\_\_\_ July 29, 2019 \_\_\_\_\_ % \_\_\_\_\_

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ THOUSAND DOLLARS  
(\$ \_\_\_\_\_)

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2020 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by the City Clerk or City Treasurer (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for

that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$3,315,000, all of which are of like tenor, except as to denomination, interest rate and maturity date, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the public purpose of refunding certain obligations of the City, as authorized by a resolution adopted on July 15, 2019. Said resolution is recorded in the official minutes of the Common Council for said date.

This Bond is not subject to optional redemption.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds after the Record Date. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as

negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of Sheboygan, Sheboygan County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF SHEBOYGAN  
SHEBOYGAN COUNTY, WISCONSIN

By: \_\_\_\_\_  
Michael J. Vandersteen  
Mayor

(SEAL)



By: \_\_\_\_\_  
Meredith DeBruin  
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
(e.g. Bank, Trust Company or Securities Firm)

\_\_\_\_\_  
(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\_\_\_\_\_  
(Authorized Officer)

EXHIBIT F

NOTICE OF FULL CALL\*

Regarding

CITY OF SHEBOYGAN  
SHEBOYGAN COUNTY, WISCONSIN  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS,  
DATED JUNE 23, 2010

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on August 16, 2019 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
04/01/2020	\$340,000	4.25 %	8210228D5
04/01/2021	360,000	4.40	8210228E3
04/01/2022	375,000	4.625	8210228F0
04/01/2023	395,000	4.70	8210228G8
04/01/2024	415,000	4.80	8210228H6
04/01/2025	440,000	5.00	8210228J2
04/01/2026	465,000	5.125	8210228K9
04/01/2027	490,000	5.25	8210228L7

The City shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before August 16, 2019.

Said Bonds will cease to bear interest on August 16, 2019.

By Order of the  
Common Council  
City of Sheboygan  
City Clerk

Dated \_\_\_\_\_

\* To be provided by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by The Depository Trust Company, to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to August 16, 2019 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at [www.emma.msrb.org](http://www.emma.msrb.org).

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** Res. No. 51-19-20 by Alderpersons Donohue and Bohren. Resolution authorizing the appropriate City Officials to execute three (3) engagement letters with Quarles & Brady LLP to serve as bond counsel for the City of Sheboygan.

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**REPORT PREPARED BY:** Marty Halverson, Finance Director

---

**REPORT DATE:** July 10, 2019

**MEETING DATE:** July 15, 2019

---

**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

The City of Sheboygan is in the process of issuing municipal bonds relative to the 2019 capital improvements projects, community development and refunding. General bond counsel services for the legal opinion with respect to the authorization and issuance of municipal obligations are conducted by Quarles & Brady LLP. City staff is entering a limited special counsel engagement with Quarles and Brady LLP for these services.

**STAFF COMMENTS:**

The City of Sheboygan has utilized the services of Quarles and Brady LLP in connection with Wisconsin Public Finance Professionals, with regards to its debt offerings, for a number of years. The limited legal advice and support provided by Quarles and Brady LLP has enabled the City's debt offerings to be complete and accurate including guidance on all required communications.

**ACTION REQUESTED:**

Motion to recommend the Common Council adopt Res. No. 51-19-20 by Alderpersons Donohue and Bohren.

**ATTACHMENTS:**

- I. Res. No. 51-19-20
- II. Three engagement letters

**III**

**DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE**

Res. No. 51 - 19 - 20. By Alderpersons Donohue and Bohren. July 15, 2019.

A RESOLUTION authorizing the appropriate City Officials to execute three (3) engagement letters with Quarles & Brady LLP to serve as bond counsel for the City of Sheboygan.

RESOLVED: That the appropriate City officials are hereby authorized to enter into the three (3) attached engagement letters with Quarles & Brady LLP to serve as bond counsel for the City of Sheboygan regarding the issuance of \$6,655,000 in General Obligation Corporate Purpose Bonds (Series 2019A), \$4,225,000 in General Obligation Community Development Bonds (Series 2019B), and \$3,315,000 in Taxable General Obligation Refunding Bonds (Series 2019C).

*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



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Suite 2350  
Milwaukee, Wisconsin 53202-4426  
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Naples  
Phoenix  
Scottsdale  
Tampa  
Tucson  
Washington, D.C.

June 13, 2019

VIA EMAIL

Ms. Meredith DeBruin  
City Clerk  
City of Sheboygan  
City Hall  
828 Center Avenue  
Sheboygan, WI 53081-4442

Scope of Engagement Re: Proposed Issuance of \$4,225,000 City of Sheboygan (the "City") General Obligation Community Development Bonds, Series 2019B (the "Securities")

Dear Ms. DeBruin:

We are pleased to be working with you again as the City's bond counsel. Thank you for your confidence in us.

The purpose of this letter is to set forth the role we propose to serve and responsibilities we propose to assume as bond counsel in connection with the issuance of the above-referenced Securities. If you have any questions about this letter or the services we will provide, or if you would like to discuss modifications, please contact me.

Role of Bond Counsel

Our bond counsel engagement is a limited, special counsel engagement. Bond counsel is engaged as a recognized independent expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of municipal obligations. If you desire additional information about the role of bond counsel, we would be happy to provide you with a copy of a brochure prepared by the National Association of Bond Lawyers.

As bond counsel we will: examine applicable law; prepare authorizing and closing documents; consult with the parties to the transaction, including the City's financial advisor or underwriter or placement agent, prior to the issuance of the Securities; review certified proceedings; and undertake such additional duties as we deem necessary to render the bond counsel opinion described below. As bond counsel, we do not advocate the interests of the City

or any other party to the transaction. We assume that the parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

- 1) the Securities are valid and binding general obligations of the City;
- 2) all taxable property in the territory of the City is subject to ad valorem taxation without limitation as to rate or amount to pay the Securities; and
- 3) the interest paid on the Securities will be excludable from gross income for federal income tax purposes (subject to certain limitations which may be expressed in the opinion).

The bond counsel opinion will be executed and delivered by us in written form on the date the Securities are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date.

Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to this financing; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide any post-closing compliance services including any assistance with the City's continuing disclosure commitment, ongoing advice to the City or any other party concerning any actions necessary to assure that interest paid on the Securities will continue to be excluded from gross income for federal income tax purposes, or participating in an Internal Revenue Service, Securities Exchange Commission or other regulatory body survey or investigation regarding or audit of the Securities.

In rendering the opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

The services we will provide under this engagement are strictly limited to legal services. We are neither qualified nor engaged to provide financial advice and we will make no representation about the desirability of the proposed plan of finance, the feasibility of the projects financed or refinanced by the Securities, or any related matters.

**Diversity of Practice; Consent to Unrelated Engagements**

Because of the diversity of practice of our firm, members of our firm other than those who serve you may be asked to represent other clients who have dealings with the City regarding such matters as zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel work. Ethical requirements sometimes dictate that we obtain the City's consent to such situations even though our service to you is limited to the specialized area of bond counsel. We do not represent you in legal matters regularly, although we may be called upon for special representation occasionally, and our bond counsel work does not usually provide us information that will be disadvantageous to you in other representations. We do not believe that such representations of others would adversely affect our relationship with you, and we have found that local governments generally are agreeable to the type of unrelated representation described above. We would like to have an understanding with you that the City consents to our firm undertaking representations of this type. Your approval of this letter will serve to confirm that the City has no objection to our representation of other clients who have dealings with the City, unrelated to the borrowing and finance area or any other area in which we have agreed to serve it. If you have any questions or would like to discuss this consent further, please call us.

We also want to advise you that from time to time we represent underwriters and purchasers of municipal obligations, as well as other bond market participants. In past transactions or matters that are not related to the issuance of the Securities and our role as bond counsel, we may have served as counsel to the financial institution that has or will underwrite, purchase or place the Securities or that is serving as the City's financial advisor. We may also be asked to represent financial institutions and other market participants, including the underwriter, purchaser or placement agent of the Securities or the City's financial advisor, in future transactions or matters that are not related to the issuance of the Securities or our role as bond counsel. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type.

A form of our opinion and a form of a Continuing Disclosure Certificate (which we may prepare) may be included in the Official Statement or other disclosure document for the Securities. However, as bond counsel, we will not assume or undertake responsibility for the preparation of an Official Statement or other disclosure document with respect to the Securities, nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. If an Official Statement or other disclosure document is prepared and adopted or approved by the City, we will either prepare or review any description therein of: (i) Wisconsin and federal law pertinent to the validity of the Securities and the tax treatment of interest paid thereon and (ii) our opinion.

### Fees

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, we estimate that our fee will be \$11,000. Such fee and expenses may vary: (i) if the principal amount of Securities actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time, expenses or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. It is our understanding that our fee will be paid out of proceeds of the Securities at Closing.

If, for any reason, the financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates for time actually spent, plus out-of-pocket expenses. Our fee is usually paid either at the Closing out of proceeds of the Securities or pursuant to a statement rendered shortly thereafter. We customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing.

### Terms of Engagement

Either the City or Quarles & Brady may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. If the City terminates our services, the City is responsible for promptly paying us for all fees, charges, and expenses incurred before the date we receive termination. We reserve the right to withdraw from representing the City if, among other things, the City fails to honor the terms of this engagement letter – including the City's failing to pay our bills, the City's failing to cooperate or follow our advice on a material matter, or our becoming aware of any fact or circumstance that would, in our view, render our continuing representation unlawful or unethical.

Unless previously terminated, our representation will terminate when we send to the City (or its representative) our final bill for services rendered. If the City requests, we will promptly return the City's original papers and property to you, consistent with our need to ensure payment of any outstanding bills. We may retain copies of the documents. We will keep our own files, including attorney work product, pertaining to our representation of the City. For various reasons, including the minimization of unnecessary storage expenses, we may destroy or otherwise dispose of documents and materials a reasonable time after termination of the engagement.

Ms. Meredith DeBruin  
June 13, 2019  
Page 5

### City Responsibilities

We will provide legal counsel and assistance to the City in accordance with this letter and will rely upon information and guidance the City and its personnel provide to us. We will keep the City reasonably informed of progress and developments, and respond to the City's inquiries. To enable us to provide the services set forth in this letter, the City will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. The City agrees to pay our bills for services and expenses in accordance with this engagement letter. The City will also cooperate fully with us and be available to attend meetings, conferences, hearings and other proceedings on reasonable notice, and stay fully informed on all developments relating to this matter.

### Limited Liability Partnership

Our firm is a limited liability partnership ("LLP"). Because we are an LLP, no partner of the firm has personal liability for any debts or liabilities of the firm except as otherwise required by law, and except that each partner can be personally liable for his or her own malpractice and for the malpractice of persons acting under his or her actual supervision and control. As an LLP we are required by our code of professional conduct to carry at least \$10,000,000 of malpractice insurance; currently, we carry coverage with limits substantially in excess of that amount. Please call me if you have any questions about our status as a limited liability partnership.

### Conclusion and Request for Signed Copy

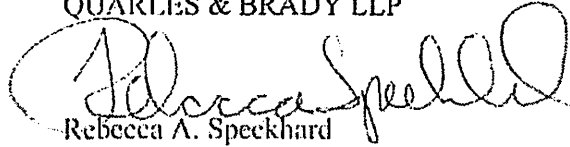
If the foregoing terms of this engagement are acceptable to you, please so indicate by returning a copy of this letter dated and signed by an appropriate officer, retaining the original for your files. If we do not hear from you within thirty (30) days, we will assume that these terms are acceptable to you, but we would prefer to receive a signed copy of this letter from you.

Ms. Meredith DeBruin  
June 13, 2019  
Page 6

We are looking forward to working with you and the City in this regard.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:SMW:bes  
#850357.00060

cc: Mr. Darrell Hofland (via email)  
Mr. Martin W. Halverson (via email)  
Mr. Charles C. Adams (via email)  
Mr. Thomas Cameron (via email)  
Ms. Carol Ann Wirth (via email)  
Ms. Gloria Herron (via email)

Accepted and Approved:

CITY OF SHEBOYGAN

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

Its: \_\_\_\_\_  
Title

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



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Milwaukee  
Minneapolis  
Naples  
Phoenix  
Scottsdale  
Tampa  
Tucson  
Washington, D C.

June 13, 2019

VIA EMAIL

Ms. Meredith DeBruin  
City Clerk  
City of Sheboygan  
City Hall  
828 Center Avenue  
Sheboygan, WI 53081-4442

Scope of Engagement Re: Proposed Issuance of \$3,315,000 City of Sheboygan (the "City") Taxable General Obligation Refunding Bonds, Series 2019C (the "Securities")

Dear Ms. DeBruin:

We are pleased to be working with you again as the City's bond counsel. Thank you for your confidence in us.

The purpose of this letter is to set forth the role we propose to serve and responsibilities we propose to assume as bond counsel in connection with the issuance of the above-referenced Securities. If you have any questions about this letter or the services we will provide, or if you would like to discuss modifications, please contact me.

Role of Bond Counsel

Our bond counsel engagement is a limited, special counsel engagement. Bond counsel is engaged as a recognized independent expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of municipal obligations. If you desire additional information about the role of bond counsel, we would be happy to provide you with a copy of a brochure prepared by the National Association of Bond Lawyers.

As bond counsel we will: examine applicable law; prepare authorizing and closing documents; consult with the parties to the transaction, including the City's financial advisor or underwriter or placement agent, prior to the issuance of the Securities; review certified proceedings; and undertake such additional duties as we deem necessary to render the bond counsel opinion described below. As bond counsel, we do not advocate the interests of the City or any other party to the transaction. We assume that the parties to the transaction will retain

Ms. Meredith DeBruin  
June 13, 2019  
Page 2

such counsel as they deem necessary and appropriate to represent their interests in this transaction.

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

- 1) the Securities are valid and binding general obligations of the City;
- 2) all taxable property in the territory of the City is subject to ad valorem taxation without limitation as to rate or amount to pay the Securities; and
- 3) the interest in the Securities is included for federal income tax purposes in the gross income of the owners of the Securities.

The bond counsel opinion will be executed and delivered by us in written form on the date the Securities are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date.

Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to this financing; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide any post-closing compliance services including any assistance with the City's continuing disclosure commitment, ongoing advice to the City or any other party, or participating in a Securities Exchange Commission, Internal Revenue Service, or other regulatory body survey or investigation regarding or audit of the Securities.

In rendering the opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

The services we will provide under this engagement are strictly limited to legal services. We are neither qualified nor engaged to provide financial advice and we will make no representation about the desirability of the proposed plan of finance, the feasibility of the projects financed or refinanced by the Securities, or any related matters.

#### Diversity of Practice; Consent to Unrelated Engagements

Because of the diversity of practice of our firm, members of our firm other than those who serve you may be asked to represent other clients who have dealings with the City regarding such matters as zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel work. Ethical requirements sometimes dictate that we obtain the City's consent to such situations even though our service to you is limited to the specialized

Ms. Meredith DeBruin  
June 13, 2019  
Page 3

area of bond counsel. We do not represent you in legal matters regularly, although we may be called upon for special representation occasionally, and our bond counsel work does not usually provide us information that will be disadvantageous to you in other representations. We do not believe that such representations of others would adversely affect our relationship with you, and we have found that local governments generally are agreeable to the type of unrelated representation described above. We would like to have an understanding with you that the City consents to our firm undertaking representations of this type. Your approval of this letter will serve to confirm that the City has no objection to our representation of other clients who have dealings with the City, unrelated to the borrowing and finance area or any other area in which we have agreed to serve it. If you have any questions or would like to discuss this consent further, please call us.

We also want to advise you that from time to time we represent underwriters and purchasers of municipal obligations, as well as other bond market participants. In past transactions or matters that are not related to the issuance of the Securities and our role as bond counsel, we may have served as counsel to the financial institution that has or will underwrite, purchase or place the Securities or that is serving as the City's financial advisor. We may also be asked to represent financial institutions and other market participants, including the underwriter, purchaser or placement agent of the Securities or the City's financial advisor, in future transactions or matters that are not related to the issuance of the Securities or our role as bond counsel. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type.

A form of our opinion and a form of a Continuing Disclosure Certificate (which we may prepare) may be included in the Official Statement or other disclosure document for the Securities. However, as bond counsel, we will not assume or undertake responsibility for the preparation of an Official Statement or other disclosure document with respect to the Securities, nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. If an Official Statement or other disclosure document is prepared and adopted or approved by the City, we will either prepare or review any description therein of: (i) Wisconsin and federal law pertinent to the validity of the Securities and the tax treatment of interest paid thereon and (ii) our opinion.

#### Fees

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, we estimate that our fee will be \$9,000. Such fee and expenses may vary: (i) if the principal amount of Securities actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a

significant increase in our time, expenses or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. It is our understanding that our fee will be paid out of proceeds of the Securities at Closing.

If, for any reason, the financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates for time actually spent, plus out-of-pocket expenses. Our fee is usually paid either at the Closing out of proceeds of the Securities or pursuant to a statement rendered shortly thereafter. We customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing.

#### Terms of Engagement

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Unless previously terminated, our representation will terminate when we send to the City (or its representative) our final bill for services rendered. If the City requests, we will promptly return the City's original papers and property to you, consistent with our need to ensure payment of any outstanding bills. We may retain copies of the documents. We will keep our own files, including attorney work product, pertaining to our representation of the City. For various reasons, including the minimization of unnecessary storage expenses, we may destroy or otherwise dispose of documents and materials a reasonable time after termination of the engagement.

#### City Responsibilities

We will provide legal counsel and assistance to the City in accordance with this letter and will rely upon information and guidance the City and its personnel provide to us. We will keep the City reasonably informed of progress and developments, and respond to the City's inquiries. To enable us to provide the services set forth in this letter, the City will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. The City agrees to pay our bills for services and expenses in accordance with this engagement letter. The City will also cooperate fully with us and be available to attend meetings, conferences, hearings

Ms. Meredith DeBruin  
June 13, 2019  
Page 5

and other proceedings on reasonable notice, and stay fully informed on all developments relating to this matter.

**Limited Liability Partnership**

Our firm is a limited liability partnership ("LLP"). Because we are an LLP, no partner of the firm has personal liability for any debts or liabilities of the firm except as otherwise required by law, and except that each partner can be personally liable for his or her own malpractice and for the malpractice of persons acting under his or her actual supervision and control. As an LLP we are required by our code of professional conduct to carry at least \$10,000,000 of malpractice insurance; currently, we carry coverage with limits substantially in excess of that amount. Please call me if you have any questions about our status as a limited liability partnership.

**Conclusion and Request for Signed Copy**

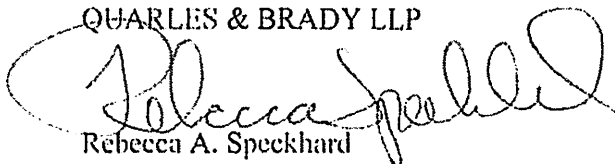
If the foregoing terms of this engagement are acceptable to you, please so indicate by returning a copy of this letter dated and signed by an appropriate officer, retaining the original for your files. If we do not hear from you within thirty (30) days, we will assume that these terms are acceptable to you, but we would prefer to receive a signed copy of this letter from you.

Ms. Meredith DeBruin  
June 13, 2019  
Page 6

We are looking forward to working with you and the City in this regard.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:SMW:bes  
#850357.00061

cc: Mr. Darrell Hofland (via email)  
Mr. Martin W. Halverson (via email)  
Mr. Charles C. Adams (via email)  
Mr. Thomas Cameron (via email)  
Ms. Carol Ann Wirth (via email)  
Ms. Gloria Herron (via email)

Accepted and Approved:

CITY OF SHEBOYGAN

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

Its: \_\_\_\_\_

Title

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



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Phoenix  
Scottsdale  
Tampa  
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June 13, 2019

VIA EMAIL

Ms. Meredith DeBruin  
City Clerk  
City of Sheboygan  
City Hall  
828 Center Avenue  
Sheboygan, WI 53081-4442

Scope of Engagement Re: Proposed Issuance of \$6,655,000 City of Sheboygan (the "City") General Obligation Corporate Purpose Bonds, Series 2019A (the "Securities")

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such counsel as they deem necessary and appropriate to represent their interests in this transaction.

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**Diversity of Practice: Consent to Unrelated Engagements**

Because of the diversity of practice of our firm, members of our firm other than those who serve you may be asked to represent other clients who have dealings with the City regarding

Ms. Meredith DeBruin  
June 13, 2019  
Page 3

such matters as zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel work. Ethical requirements sometimes dictate that we obtain the City's consent to such situations even though our service to you is limited to the specialized area of bond counsel. We do not represent you in legal matters regularly, although we may be called upon for special representation occasionally, and our bond counsel work does not usually provide us information that will be disadvantageous to you in other representations. We do not believe that such representations of others would adversely affect our relationship with you, and we have found that local governments generally are agreeable to the type of unrelated representation described above. We would like to have an understanding with you that the City consents to our firm undertaking representations of this type. Your approval of this letter will serve to confirm that the City has no objection to our representation of other clients who have dealings with the City, unrelated to the borrowing and finance area or any other area in which we have agreed to serve it. If you have any questions or would like to discuss this consent further, please call us.

We also want to advise you that from time to time we represent underwriters and purchasers of municipal obligations, as well as other bond market participants. In past transactions or matters that are not related to the issuance of the Securities and our role as bond counsel, we may have served as counsel to the financial institution that has or will underwrite, purchase or place the Securities or that is serving as the City's financial advisor. We may also be asked to represent financial institutions and other market participants, including the underwriter, purchaser or placement agent of the Securities or the City's financial advisor, in future transactions or matters that are not related to the issuance of the Securities or our role as bond counsel. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type.

A form of our opinion and a form of a Continuing Disclosure Certificate (which we may prepare) may be included in the Official Statement or other disclosure document for the Securities. However, as bond counsel, we will not assume or undertake responsibility for the preparation of an Official Statement or other disclosure document with respect to the Securities, nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. If an Official Statement or other disclosure document is prepared and adopted or approved by the City, we will either prepare or review any description therein of: (i) Wisconsin and federal law pertinent to the validity of the Securities and the tax treatment of interest paid thereon and (ii) our opinion.

#### Fees

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, we estimate that our fee will

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June 13, 2019  
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be \$14,000. Such fee and expenses may vary: (i) if the principal amount of Securities actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time, expenses or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. It is our understanding that our fee will be paid out of proceeds of the Securities at Closing.

If, for any reason, the financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates for time actually spent, plus out-of-pocket expenses. Our fee is usually paid either at the Closing out of proceeds of the Securities or pursuant to a statement rendered shortly thereafter. We customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing.

#### Terms of Engagement

Either the City or Quarles & Brady may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. If the City terminates our services, the City is responsible for promptly paying us for all fees, charges, and expenses incurred before the date we receive termination. We reserve the right to withdraw from representing the City if, among other things, the City fails to honor the terms of this engagement letter – including the City's failing to pay our bills, the City's failing to cooperate or follow our advice on a material matter, or our becoming aware of any fact or circumstance that would, in our view, render our continuing representation unlawful or unethical.

Unless previously terminated, our representation will terminate when we send to the City (or its representative) our final bill for services rendered. If the City requests, we will promptly return the City's original papers and property to you, consistent with our need to ensure payment of any outstanding bills. We may retain copies of the documents. We will keep our own files, including attorney work product, pertaining to our representation of the City. For various reasons, including the minimization of unnecessary storage expenses, we may destroy or otherwise dispose of documents and materials a reasonable time after termination of the engagement.

#### City Responsibilities

We will provide legal counsel and assistance to the City in accordance with this letter and will rely upon information and guidance the City and its personnel provide to us. We will keep the City reasonably informed of progress and developments, and respond to the City's inquiries. To enable us to provide the services set forth in this letter, the City will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. The City

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agrees to pay our bills for services and expenses in accordance with this engagement letter. The City will also cooperate fully with us and be available to attend meetings, conferences, hearings and other proceedings on reasonable notice, and stay fully informed on all developments relating to this matter.

#### Limited Liability Partnership

Our firm is a limited liability partnership ("LLP"). Because we are an LLP, no partner of the firm has personal liability for any debts or liabilities of the firm except as otherwise required by law, and except that each partner can be personally liable for his or her own malpractice and for the malpractice of persons acting under his or her actual supervision and control. As an LLP we are required by our code of professional conduct to carry at least \$10,000,000 of malpractice insurance; currently, we carry coverage with limits substantially in excess of that amount. Please call me if you have any questions about our status as a limited liability partnership.

#### Conclusion and Request for Signed Copy

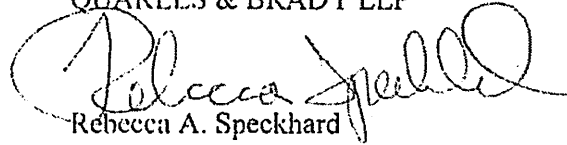
If the foregoing terms of this engagement are acceptable to you, please so indicate by returning a copy of this letter dated and signed by an appropriate officer, retaining the original for your files. If we do not hear from you within thirty (30) days, we will assume that these terms are acceptable to you, but we would prefer to receive a signed copy of this letter from you.

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We are looking forward to working with you and the City in this regard.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:SMW:bes  
#850357.00062

cc: Mr. Darrell Hofland (via email)  
Mr. Martin W. Halverson (via email)  
Mr. Charles C. Adams (via email)  
Mr. Thomas Cameron (via email)  
Ms. Carol Ann Wirth (via email)  
Ms. Gloria Herron (via email)

Accepted and Approved:

CITY OF SHEBOYGAN

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

Its: \_\_\_\_\_  
Title

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

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

**ITEM DESCRIPTION:** Res. No. 52-19-20 by Alderpersons Donohue and Bohren to authorize the appropriate City Officials to enter into a multiple year contract for the upgrade and replacement of heating, ventilating and air conditioning controls at Mead Public Library.

**REPORT PREPARED BY:** Bernard R. Rammer, Purchasing Agent

**REPORT DATE:** July 10, 2019

**MEETING DATE:** July 15, 2019

**FISCAL SUMMARY:**

Budget Line Item: 478621200  
 Budget Summary: Capital Improvement Fund  
 Budgeted Expenditure: \$66,278  
 Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
 Municipal Code: N/A

**BACKGROUND / ANALYSIS:**

The HVAC systems at Mead Public Library are controlled with the legacy system that was installed in 1976 when the building was originally constructed. Since the majority of the HVAC equipment has been upgraded over the past several years it is prudent to upgrade the system which controls the equipment. Mead Public Library has included funding in the Capital Improvements Program for the replacement with the work to be accomplished over a four year period.

**STAFF COMMENTS:**

The project was put to public bid in accordance with State of WI Statutes. The City of Sheboygan received a total of six bids.

VENDOR	HVA PRODUCTS MEQUON WI	BASSETT MECHANICAL KAUKAUNA WI	J&H CONTROLS INC. FOND DU LAC WI	AUTOMATED LOGIC INC. GREEN BAY WI	QUALITY CONTROL SERVICES FOND DU LAC WI	AUTOMATED ENERGY SOLUTIONS INC APPLETON
<b>BID BOND PRESENT</b>	YES	YES	YES	YES	YES	YES
<b>ADDENDA</b>	NONE ISSUED	NONE ISSUED	NONE ISSUED	NONE ISSUED	NONE ISSUED	NONE ISSUED
<b>BASE BID-PHASE 1</b>	\$ 63,600.00	\$ 28,500.00	\$ 45,365.00	\$ 140,113.00	\$ 34,350.00	\$ 9,876.00
<b>ALTERNATE # 1 FIRST FLOOR</b>	\$ 37,500.00	\$ 59,952.00	\$ 60,110.00	\$ 60,351.00	\$ 39,870.00	\$ 47,921.00
<b>ALTERNATE # 2 SECOND FLOOR</b>	\$32,000.00	\$ 54,260.00	\$ 37,295.00	\$ 50,457.00	\$ 35,560.00	\$ 46,724.00
<b>ALTERNATE # 3 THIRD FLOOR</b>	\$ 28,500.00	\$ 45,134.00	\$ 39,655.00	\$ 30,890.00	\$ 36,800.00	\$ 65,972.00
<b>ALTERNATE # 4 LOWER LEVEL(BSMT)</b>	\$ 34,800.00	\$ 54,180.00	\$ 34,940.00	\$ 54,521.00	\$ 34,150.00	\$ 46,923.00
<b>GRAND TOTAL</b>	<b>\$ 196,400.00</b>	<b>\$ 242,026.00*</b>	<b>\$ 217,365.00</b>	<b>\$ 336,332.00</b>	<b>\$ 180,730.00</b>	<b>\$ 217,416.00</b>

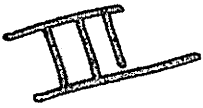
Following a comprehensive review by staff, the low bid has been determined to meet all of the requirements and staff is satisfied that the vendor has sufficient capacity to handle the work. Under Wis. Stat. § 62.15, the lowest responsive vendor—Quality Control Systems, Inc.—is to be awarded the contract.

**ACTION REQUESTED:**

Motion to recommend the Common Council adopt Res. No. 52-19-20 to authorize the appropriate City Officials to enter into a multiple year agreement with Quality Control Systems, Inc. of Fond du Lac WI for the provision, installation and commissioning of a new, digital building automation system for the Mead Public Library, and to authorize the expenditure of the 2019 funding for the contract in the amount of \$66,278.

**ATTACHMENTS:**

- I. Res. No. 52-19-20
- II. Contract with Quality Control Systems



DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 52 - 19 - 20. By Alderpersons Donohue and Bohren. July 15, 2019.

A RESOLUTION authorizing the appropriate City Officials to enter into an agreement for the installation and commissioning of a new Heating, Ventilating and Air Conditioning (HVAC) controls system for the Mead Public Library.

WHEREAS, the Mead Public Library has included funding in the Capital Improvements budgets from 2019 through 2022 for the replacement and upgrade of the original HVAC controls system with a new digital controls package; and

WHEREAS, the expectation is that the necessary work will be done over a four year period of time on a floor by floor basis; and

WHEREAS, in May 2019 a request for bids was issued for the project; and

WHEREAS, the city received six responses to the solicitation; and

WHEREAS, because this is a "public works" project as defined in state law, the city must award the contract to the lowest responsible bidder under Wis. Stat. § 62.15; and

WHEREAS, the City's review of the responses has concluded that the low bidder - Quality Control Systems, Inc. of Fond du Lac, Wisconsin - meets all of the criteria to be awarded the bid.

NOW, THEREFORE, BE IT RESOLVED: That the appropriate City Officials are authorized to enter into the attached agreement with Quality Control Systems, Inc. of Fond Du Lac, WI for the installation and commissioning of a new, digital HVAC controls system to be implemented over a four-year period in accordance with the specifications included in the Request For Bids.

BE IT FURTHER RESOLVED: That the City's designated project manager is authorized to consent to additions, deletions, and modifications to the Scope of Work set forth in the attached agreement ("Change Orders"). Based on the unique facts and circumstances related to this agreement, Change Orders shall not materially change the nature of the scope of work, and shall not exceed Seven Percent (7%) of the not to exceed amount of the Contract (\$12,651.10).

BE IT FURTHER RESOLVED: That the appropriate City Officials are hereby authorized to draw funds as set forth below in payment of same (including any approved Change Orders):

2019 - HVAC Controls Replacement - 47851100-621200: \$66,278

BE IT FURTHER RESOLVED: That the Council recognizes that the expectation is that this Contract will be fulfilled over multiple years, and will consider appropriation of additional moneys in future years.

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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  
QUALITY CONTROL SYSTEMS, INC.**

**REGARDING AUTOMATIC TEMPERATURE CONTROLS AT MEAD PUBLIC  
LIBRARY**

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 Quality Control Systems, Inc. ("Contractor").

WITNESSETH:

WHEREAS, the City desires to have a new digital building automation system installed at Mead Public Library; and

WHEREAS, Contractor is willing and able to provide the City with the necessary goods and services to successfully install such a system, under the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

**Article 1. Scope of Services**

Contractor shall provide all services, materials, labor, and tools necessary to accomplish the Automatic Temperature Controls Upgrade at Mead Public Library (the "Services") as set forth in the Scope Document prepared by Muermann Engineering, which is attached to this Agreement as Exhibit A, including—if desired by the Library Director and funding is available—Alternate No. 1, Alternate No. 2, Alternate No. 3, and Alternate No. 4. This includes all work shown or reasonably inferred from the Scope Document.

All Services shall be supervised by a competent foreman, superintendent, or other representative, who is satisfactory to the City and who has authority to act for Contractor.

Contractor shall be responsible for any required cutting necessary in order to accomplish the Services. Contractor shall make all required repairs as a result of that cutting, which shall be done to the satisfaction of the Engineer. In no case shall Contractor cut into any major structural element, beam, or column without the written approval of the Engineer.

**Article 2. Responsibilities of Contractor**

In addition to completing the Scope of Services as described in Article 1, Contractor shall be responsible for the following:

1. Contractor shall obtain all applicable City permits and licenses, and pay all applicable City fees prior to beginning work. Contractor shall also ensure any permitted sub-contractor has obtained any and all applicable City permits and licenses, and paid all applicable City fees.
2. At all times, Contractor shall conduct its work as to ensure the least possible obstruction to traffic and the least possible inconvenience to the general public and to the City's employees.
3. Contractor shall provide the necessary safeguards including, but not limited to, warning signs and barricades to prevent accidents, to avoid all necessary hazards, and protect the public, the work, and the property at all times, including all times when no work is being done.
4. Contractor shall, at all times, keep the site of the work free from accumulation of waste material or rubbish caused by the Services. At the completion of the work, Contractor shall remove all rubbish from and about the work and all tools, equipment, scaffolding, and surplus materials, and shall leave the completed work clean and ready for use. In case of dispute, the City may remove the rubbish and surplus materials and charge the cost to the Contractor.
5. Contractor shall confine his equipment, apparatus, the storage of materials and operations to limits indicated by the law, ordinances, permit, or directions of the City, and shall not encumber the premises with his materials. Contractor shall not load or permit any part of the structure to be loaded with a weight that will endanger its safety.
6. Contractor shall observe and enforce the City's instructions regarding signs, advertisements, fires, and smoke.
7. Contractor shall inform the City if they suspect any materials affected or impacted in any way by the Services contain asbestos. No further activity on that material should occur until it has been determined through proper testing whether the material contains asbestos and appropriate steps are taken if asbestos is present. Any disturbance (including an accidental disturbance) of materials already identified as containing asbestos on the part of Contractor or approved subcontractor must be reported to the City immediately.
8. Contractor shall promptly make payment to each and every person or entity entitled to payment for work or labor performed or materials furnished in the performance of this Agreement.

### **Article 3. Standard of Care**

Contractor shall be responsible for completion of the Services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances ("Standard of Care"). The City shall be the sole judge of the adequacy of Contractor's work in meeting the Standard of Care; however, the City shall not unreasonably withhold its approval as to the adequacy of Contractor's performance.

Upon notice to Contractor, Contractor will, without additional compensation, correct or replace any and all Services not meeting the Standard of Care.

Contractor shall be responsible to repair any damage incurred during the Services.

The materials installed as a result of this Agreement shall be fully warranted against defects—including defects due to faulty materials, equipment or workmanship—by the Contractor for one (1) year from date of final acceptance, regardless of whether the work was performed by Contractor or an approved subcontractor. Upon receipt of notice of defect from the City, the Contractor shall promptly correct or replace any and all materials or workmanship found to be defective. All manufacturer's warranties shall also apply and be honored by Contractor.

**Article 4. Responsibilities of the City**

The City designates Garrett Erickson or his designee as its designated project manager for purposes of this Agreement. Muermann Engineering is designated as the Engineer for purposes of this Agreement.

All work under this Agreement will be regularly viewed by the City's representatives. City's representatives will regularly visit the site of the project and observe the work for conformity with the Agreement, and will immediately report any lack of conformity to the Engineer. Questions of interpretation of the documents will also be referred to the Engineer.

The City's representatives shall have authority to stop any portion of the work not in conformity with the Agreement until the City has investigated and decided upon a procedure.

If Contractor neglects to prosecute the work to be performed under this Agreement, or fails to perform any provision of this Agreement, the City may, after three days' written notice to the Contractor—without prejudice to any other remedy he may have—make good such deficiencies and may deduct the cost therefrom from the payment due the Contractor.

The City's project manager may, to the extent authorized by the Common Council, without invalidating this Agreement, order changes in the Services consisting of additions, deletions, or modifications. The contract sum and the contract time shall be adjusted accordingly by mutual agreement before executing the work involved. All such changes in the work shall be authorized by written Change Order signed by the City's project manager.

**Article 5. Compensation**

The City shall pay Contractor for all fees and expenses an amount not to exceed One Hundred Eighty Thousand Seven Hundred Thirty Dollars (\$180,730). This shall not exceed:

Thirty Four Thousand Three Hundred Fifty Dollars (\$34,350) for all goods and services within the "Base Bid", as set forth in Exhibit A.

Thirty Nine Thousand Eight Hundred Seventy Dollars (\$39,870) for all goods and services within "Alternate #1", as set forth in Exhibit A.

Thirty Five Thousand Five Hundred Sixty Dollars (\$35,560) for all goods and services within "Alternate #2", as set forth in Exhibit A.

**Thirty Six Thousand Eight Hundred Dollars (\$36,800) for all goods and services within "Alternate #3", as set forth in Exhibit A.**

**Thirty Four Thousand One Hundred Fifty Dollars (\$34,150) for all goods and services within "Alternate #4", as set forth in Exhibit A.**

**Contractor may submit periodically, but not more than once each month, a Request for Payment of work done on the site. The Contractor shall furnish the Engineer all reasonable documentation required for obtaining the necessary information relative to the progress and execution of the work to validate the information contained in the Request for Payment. No payment will be made for materials stored at the job site.**

**Ten percent of each Request for Payment shall be retained until final completion and acceptance of the work and the City is satisfied that all subcontractors, material suppliers and employees of Contractor have been paid in full.**

**Unless additional services are added to the Services, pursuant to the process set forth in this Agreement, in no event shall the invoiced amount exceed the not to exceed amount.**

**The Request for Payment shall be sent to:**

**Bernie Rammer  
City of Sheboygan  
828 Center Ave.  
Sheboygan, Wisconsin 53081**

**Payment will be remitted to Contractor within forty-five (45) days of receipt of invoice.**

**Additional services not set forth in Article 1, or changes in the Services must be authorized in writing by the City or its designated project manager prior to such work being performed, or expenses incurred. The City shall not make payment for any unauthorized work or expenses.**

**The City may withhold payment, in whole or in part, in addition to the retained percentage, such an amount as may be necessary to protect itself from a loss on account of any of the following:**

- Payments that may be earned or due for just claims for labor or materials furnished in and about the work**
- For defective work not remedied**
- For failure of the contractor to make proper payments to the approved subcontractors**
- Reasonable doubt that this Agreement can be completed for the balance then unpaid**
- Evidence of damage to another Contractor**
- Liquidated damages due to failure to meet contract completion dates.**

**The City will disburse, and shall have the right to act as agent for the Contractor in disbursing such funds as have been withheld pursuant to this paragraph to the party or parties who are entitled to**

payment therefrom. The City will render to Contractor a proper accounting of all such facilities disbursed on behalf of Contractor.

The City may, if it deems expedient, accept work damaged or not done in accordance with the Agreement. In such event, an equitable adjustment will be made with a proper deduction from the contract price for unsatisfactory work.

Contractor shall be required to file waivers of lien from all suppliers and subcontractors with the City prior to receiving payment. Contractor shall provide the City with a complete release of all liens arising out of this Agreement before the retainage percentage or before the final Request for Payment is paid. If any lien remains unsatisfied after payments are made, Contractor shall refund to the City such amounts as the City may have been compelled to pay in discharging such liens, including all costs and reasonable attorneys fees.

**Article 6. Appropriation of Funds**

Notwithstanding any other provision of this Agreement, if funds for the continued fulfillment of this Agreement by the City are at any time not forthcoming or are insufficient, through failure of any entity, including the City itself, to appropriate funds or otherwise, then the City shall have the right to terminate this Agreement without penalty.

**Article 7. Performance and Payment Bond**

Contractor shall, within ten (10) days of the approval of this Agreement by the Common Council of the City of Sheboygan, provide the City with a Performance Bond and a Payment Bond in the amount of one hundred percent (100%) of the contract amount.

Failure by Contractor to perform the work in a timely or satisfactory fashion may result in forfeiture of Contractor's Performance Bond.

If the Surety on any bond furnished by Contractor becomes a party to supervision or liquidation, or its right to do business in the State of Wisconsin is terminated, Contractor shall, within thirty (30) calendar days thereafter, substitute another bond or surety, both of which must be acceptable to the City.

**Article 8. Schedule**

The City shall issue a Notice to Proceed after this Contract has been fully executed. At that point, the City's Project Manager shall work with Consultant to determine a schedule that is mutually acceptable.

Once work commences on a phase, work will be performed Monday through Friday on a continuous basis until completion. Work outside the regular work week will only be allowed with prior due notice and approval from the City's Project Manager.

The Parties recognize that one or more of the Alternates set forth in the Bids may occur in future years. All Services shall be complete by December 31, 2022, or upon such earlier date as the City's Project Manager and Contractor agree.

Final Acceptance shall occur when the City's Project Manager or designee is satisfied that the Services, including any necessary punch list items, have been fully completed.

The Parties agree that no charges or claims for damages shall be made by Contractor for any delays or hindrances, from any cause whatsoever, during the progress of any portion of the services specified in the Agreement. Such delays or hindrances, if any, may be compensated for by an extension of time for a reasonable period as may be mutually agreed upon between the Parties, it being understood however, that permitting Contractor to proceed to complete any service, or any part of the services / project, after the date to which the time of completion may have been extended shall, in no way operate as a waiver on the part of the City of any of its rights herein.

**Article 9. Liquidated Damages**

In the event the Contractor fails to complete the Services pursuant to the Schedule set forth as a result of Agreement, there shall be deducted from any monies due or that may become due the contractor, for each and every calendar day that the work remains uncompleted, One Hundred Dollars (\$100.00).

This sum shall be considered and treated not as a penalty but as fixed, agreed, and liquidated damages due the City from the Contractor by reason of inconvenience to the public.

Permitting the contractor to continue and finish the Services or any portion of the Services after the time set forth in the Schedule shall in no way be construed as a waiver on the part of the City of any of its rights under this Agreement.

**Article 10. Quality of Materials**

All materials used by Contractor shall be new, newest model year, and free from defects. Items which are used, demonstrators, obsolete, seconds, of which have been discontinued are unacceptable without prior written approval by the City.

**Article 11. Safety Requirements**

Contractor shall be responsible for the safety of employees at all times and shall provide all equipment necessary to insure their safety. Contractor shall ensure the enforcement of all applicable safety rules, regulations, ordinances and laws, whether federal, state, or local. Contractor's Superintendent of Safety shall make daily inspections upon the arrival and leaving of the site at the close of each workday.

**Article 12. Open Records**

Both parties understand that the City is bound by the Wisconsin Public Records Law and, as such, this contract is subject to that law. Contractor acknowledges that it is obligated to assist the City in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of the contract, and that Contractor must defend and hold the City harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven (7) years after receipt of final payment under the Agreement.

### **Article 13. Termination**

The City may terminate or suspend performance of this Agreement at the City's prerogative at any time upon written notice to Contractor. Contractor shall terminate or suspend performance of the Services on a schedule acceptable to the City and the City shall pay Contractor for all the Services performed up to the date that written notice is received, plus reasonable termination or suspension expenses. Upon restart, an equitable adjustment shall be made to Contractor's compensation and the schedule of services.

If Contractor defaults or fails to fulfill in a timely and proper manner its obligations pursuant to this Agreement, the City may, seven (7) days after written notice has been delivered to Contractor, and without prejudice to any other remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due to Contractor. In the alternative the City may, at its option, terminate this Agreement and take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by Contractor, and may finish the project by whatever method it may deem expedient. In case the expenses incurred by the City (including payments previously made to Contractor) shall be less than the sum which would have been payable under the Agreement if it had been completed by Contractor, Contractor shall be entitled to receive the difference. However, in case such expense shall exceed the sum which would have been payable under the Agreement, Contractor will be liable and shall pay to the City the amount of said excess. By taking over prosecution of the work, the City does not forfeit the right to recover damages from Contractor or its surety for failure to complete the work in the time specified.

If the City fails to make payment for a period of thirty (30) days after such payment is due, Contractor may—upon seven (7) days written notice to the City, terminate the Agreement and recover from the City payment for all work executed and for any proven loss sustained upon any materials, equipment, tools, and construction equipment and machinery including reasonable profit and damages.

### **Article 14. Default**

If Contractor breaches this Agreement or fails to perform the work in an acceptable manner, it shall be considered in default. Any one or more of the following will be considered a default:

- Failure to begin the work under this Agreement within the time specified.
- Failure to perform the work with sufficient supervision, workers, equipment and materials to insure prompt completion of said work within the time limits allowed.
- Unsuitable performance of the work as determined by City.
- Neglecting or refusing to remove defective materials or failure to perform anew such work as shall have been rejected.
- Discontinuing the prosecution of the work or any part of it.
- Inability to finance the work adequately.
- If, for any other reason, Contractor breaches this Agreement or fails to carry on the work in an acceptable manner.

The City shall send Contractor a written notice of default. If Contractor, within a period of seven (7) days after such notice, fails to remedy the default, then the City shall have full power and authority, without violation of the Agreement, to take the prosecution of the work out of the hands of Contractor, as set forth in this Agreement.

**Article 15. Identity of Contractor**

Contractor acknowledges that one of the primary reasons for its selection by the City to perform the Services is the qualifications and experience of Contractor. Contractor thus agrees that the Services to be performed pursuant to this Agreement shall be performed by Contractor. Contractor shall not subcontract any part of the Services without the prior written permission of the City. The City's project manager shall have the ability to provide this written permission. The City reserves the right to reject any of the Contractor's personnel or proposed outside professional sub-contractor, and the City reserves the right to request that acceptable replacement personnel be assigned to the project. Contractor agrees to be fully responsible to the City for the acts or omissions of any approved sub-contractor. Nothing contained in the Agreement shall create any contractual relationship between an approved sub-contractor and the City.

**Article 16. Independent Contractor Status**

During the entire term of this Agreement, Contractor shall be an independent contractor, and in no event shall any of its personnel, agents or sub-contractors be construed to be, or represent themselves to be, employees of the City. Contractor shall be solely responsible for the payment and reporting of all employee and employer taxes, including social security, unemployment, and any other federal, state, or local taxes required to be withheld from employees or payable on behalf of its employees.

**Article 17. Indemnification**

Contractor shall indemnify, defend, and hold the City—including its Officials, Agents, and Employees—free and harmless from all liability, including, but not limited to, losses, damages, costs, attorney's fees, expenses, causes of action, claims, or judgments resulting from claimed injury, death, damage to property, or loss of use of property or any person or legal entity arising out of or in any way connected with the performance of work or work to be performed under this Agreement.

Contractor shall reimburse the City for any costs, expenses, judgments, and attorney's fees paid or incurred, by or on behalf of the City, its Officials, Agents, or Employees, or paid for on behalf of the City, its Officials, Agents, or Employees by insurance purchased or self-insurance provided by the City arising out of or in any way connected with the performance of work or work to be performed under this Agreement.

Contractor shall further indemnify, defend, and hold harmless the City, its Officials, Agents, and Employees from liability or claims for any injuries to or death of Contractor's employees (or the employees of any authorized subcontractor) arising out of or in any way connected with the work or work to be performed under this Agreement, including protection against any claim of the contractor or subcontractor for any payments under any worker's compensation law or any expenses of or any payments made by any worker's compensation insurance carrier on behalf of said

contractor or sub-contractor and the contractor shall indemnify the City for any costs, expenses, judgments, and attorney's fees with respect to any above referenced workers' compensation claims incurred or paid by the City or paid on its behalf or on behalf of its Officials, Agents, or Employees by insurance purchased or self-insurance provided by the City of Sheboygan.

**Article 18. Insurance**

Contractor shall not commence work under this Agreement until it has obtained all insurance required under this Article. Additionally, Contractor shall not allow any approved subcontractor to commence work on its subcontract until the subcontractor has obtained all insurance required under this Article.

During the performance of any and all Services under this Agreement, Contractor shall maintain the following insurance in full force and effect, and shall provide proof of insurance to the Purchasing Agent listing the City of Sheboygan as an additional insured:

a. **Workers' Compensation Insurance** — Contractor shall acquire and maintain, for the duration of the Agreement, Workers' Compensation Insurance that meets all statutory requirements. In the event this Agreement authorizes any work to be sublet, Contractor shall require any subcontractor to similarly provide Workers' Compensation Insurance in accordance with all statutory requirements.

b. **Commercial General Liability Insurance** — Contractor shall acquire and maintain, for the duration of the Agreement, Commercial General Liability Insurance that covers operations, contractor's protective insurance, products coverage and completed operations, contractual coverage, underground coverage, blasting, explosion, and collapse, all with a policy limit of at least:

1. Bodily Injury: \$1,000,000 per person, \$2,000,000 in the aggregate
2. Property Damage: \$500,000 per occurrence, \$500,000 in the aggregate

c. **Comprehensive Automobile Liability and Property Damage Insurance** — Contractor shall acquire and maintain, for the duration of the Agreement, Comprehensive Automobile Liability and Property Damage Insurance that covers the operation of owned, hired, and non-owned motor vehicles, with a policy limit of at least:

1. Bodily Injury: \$1,000,000 per person, \$1,000,000 per occurrence
2. Property Damage: \$1,000,000 per occurrence

All insurance must be primary and non-contributory to any insurance or self-insurance carried by the City.

Approval of the insurance by the City shall not relieve or decrease the extent to which Contractor may be held responsible for payment of damages resulting from Contractor's provision of the Services or its operations under this Agreement. If Contractor fails or refuses to procure or maintain the insurance required by these provisions, or fails or refuses to furnish the City the

required proof that the insurance has been procured and is in force and paid for, the City shall have the right at its election to terminate the Agreement.

**Article 19. Conflict of Interest**

Contractor declares that it has no present interest, nor shall it acquire any interest, direct or indirect, which would conflict with the performance of Services under this Agreement. Contractor agrees that no person having any such interest shall be employed in the performance of this Agreement.

**Article 20. Waiver**

No failure of either party to enforce a term of this Agreement against the other shall be construed as a waiver of that term, nor shall it in any way affect the party's right to enforce that term. No waiver by any party of any term of this Agreement shall be considered to be a waiver of any other term or breach thereof.

**Article 21. Severability**

The invalidity, illegality, or unenforceability of any provision of this Agreement or the occurrence of any event rendering any portion or provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement, and the balance of the Agreement shall be construed and enforced as if it did not contain the particular provision to be held void. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Article shall not prevent this entire Agreement from being void should a provision which is of the essence of this Agreement be determined void.

**Article 22. Assignment**

Neither the City nor Contractor shall assign any rights or duties under this Agreement without the prior written consent of the other party.

**Article 23. Third Party Rights**

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and Contractor.

**Article 24. Governing Law and Venue**

This Agreement shall be governed by the laws of the State of Wisconsin. Venue of any disputes arising under this Agreement shall be in the Sheboygan County Circuit Court, Wisconsin.

**Article 25. Non-Discrimination**

In connection with the performance of work under this Agreement, Contractor agrees not to discriminate against any employee or applicant for employment because 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 not be limited to, the following: 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. Contractor further agrees to take affirmative action to ensure equal employment opportunities.

**Article 26. Compliance with Laws**

In performing the Services under this Agreement, Contractor shall comply with any and all applicable federal, state and local statutes, ordinances, plans, and regulations which in any manner affect the work or its conduct.

Contractor shall also comply with all applicable building codes (including the ICC Codes, National Electric Code, Wisconsin Administrative Code, and National Fire Code) and industry standards (including the American Institute of Electrical Engineers, American National Standards Institute, American Society of Heating, Refrigeration and Air Conditioning Engineers, American Society of Mechanical Engineers, American Society of Testing Materials, Insulated Power Cable Engineers Association, National Bureau of Standards, National Electrical Manufacturers Association, National Fire Protection Association, Occupational Safety and Health Act, Underwriters Laboratories, Manufacturers Standardization Society, American Institute of Steel Construction, American Welding Society, and Sheet Metal and Air Conditioning Contractors National Association).

Should Contractor perform any work that does not comply with the requirements of the applicable building codes, state laws, local ordinances, industry standards and utility company regulations, Contractor shall bear all costs arising in correcting the deficiencies.

The City reserves the right to cancel this Agreement if Contractor fails to follow the requirements of Wis. Stat. 77.66 and related statutes regarding certification for collection of sales and use tax. The City also reserves the right to cancel this Agreement with any state or federally debarred contractor.

Contractor shall have any and all licenses and permits required to perform the work specified, and shall furnish proof of such licensing authorization and permits upon request.

**Article 27. Notices**

Any notice required by this Agreement shall be made in writing to the individuals/addresses specified below:

**City:**

**Contractor:**

City Clerk		
City of Sheboygan		
828 Center Ave.		
Sheboygan, Wisconsin 53081		

Nothing contained in this Article shall be construed to restrict the transmission of routine communications between representatives of the City and Contractor.

**Article 28. Intent to be Bound**

The City and Contractor each binds itself and its successors, executors, administrators, permitted assigns, legal representatives and, in the case of a partnership, its partners to the other party to this Agreement, and to the successors, executors, administrators, permitted assigns, legal representatives and partners of such other party in respect to all provisions of this Agreement.

**Article 29. Force Majeure**

Neither party shall be in default by reason of any failure in performance of this Agreement in accordance with reasonable control and without fault or negligence on their part. Such causes may include, but are not restricted to, acts of nature or the public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In every case, the failure to perform must be beyond the reasonable control and without the fault or negligence of the party.

**Article 30. Integration and Modification**

This Agreement, including all Exhibits incorporated by reference, and the Request for Bids represents the entire and integrated agreement between the City and the Contractor. It supersedes all prior and contemporaneous communications, representations and agreements, whether oral or written, relating to the subject matter of this Agreement.

**Article 31. Non-Collusion**

Contractor is certifying, under penalty of perjury, that to the best of its knowledge and belief:

- a. The prices in its bid, as incorporated into Article 5, were arrived at independently, without collusion, consultation, communication, or agreement, for the purpose of restricting competition as to any other matter relating to such prices with any other bidder, or with any other competitor.
- b. The prices quoted in its bid were not knowingly disclosed—directly or indirectly—by the bidder to any other bidder or competitor prior to the bid opening.
- c. No attempt was made to induce any other person, partnership, or corporation to submit or not submit a quote for the purpose of restricting competition.

**Article 32. Amendment**

This Agreement may be modified only by a written amendment signed by both parties hereto. This provision shall not prohibit the City's Project Manager from approving changes in the scope of work, as authorized by the Common Council.

For the avoidance of doubt, in cases where an amendment is proposed by the Contractor and the City considers the proposal so submitted to be so excessive or unreasonable for the changes or added work contemplated, the City reserves the right to request a proposal for the same proposed work from other Contractors. The City reserves the right to make an award of such work to another contractor. In such event, Contractor agrees to fully cooperate with such other Contractor, and shall

not commit or permit any act which will interfere with the performance of work by the other Contractor.

**Article 33. Other Provisions**

- a. **Material Safety Data Sheet.** If any item(s) on an order(s) resulting from this Agreement is a hazardous chemical, as defined under 29 C.F.R. 1910.1200, Contractor shall provide one (1) copy of a Material Safety Data Sheet for each item with the shipped container(s) and one (1) copy with the invoice(s).
- b. **Advertising and News Releases.** Reference to or use of the City, or any of its departments, officials, or employees, for commercial promotion is prohibited. News releases pertaining to this procurement shall not be made without prior approval of the City. Release of broadcast e-mails pertaining to this procurement shall not be made without prior written authorization of the City.
- c. **Foreign Corporation.** A foreign corporation (any corporation other than a Wisconsin corporation) which becomes a party to this Agreement is required to conform to all the requirements of Wis. Stat. 180 relating to a foreign corporation, and must possess a certificate of authority from the Wisconsin Department of Financial Institutions, unless the corporation is transacting business in interstate commerce or is otherwise exempt from the requirement of obtaining a certificate of authority.
- d. **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.
- e. **Solvency.** Contractor warrants that it is financially solvent, and agrees to provide any documents reasonably requested by the City in order to confirm that Contractor is financially solvent.
- f. **Loss or Damage to Contractors Equipment or Materials.** Under no circumstances shall the City be liable for any loss or damage to Contractor's equipment or materials from any cause whatsoever.
- g. **Definition of Words.** In interpreting the Agreement and its Attachments, words describing materials which have a well-known technical or trade meaning shall be construed in accordance with such well known meanings recognized by Architects, Engineers, and the trade, unless otherwise specifically defined in the Agreement or its Attachments.
- h. **Compliance with the Instructions to Bidders.** Contractor represents and warrants that it has complied with the Instructions to Bidders in the Request for Bids regarding the Services (Bid #1962-19), which is incorporated by reference.

- i. **Fire Protection.** Contractor shall provide and maintain an adequate number of hand fire extinguishers and take all other precautions necessary to prevent fires, and shall conform to local Fire Department regulations.
- j. **Discrepancies.** In the case of a discrepancy within this Agreement and its Attachments, or between building codes, specifications, state laws, local ordinances, industry standards, utility company regulations, and the Agreement and its Attachments, the most stringent shall govern. Contractor shall promptly notify the City in writing of any such difference.
- k. **Patents.** Contractor shall be responsible for any royalties and license fees associated with Contractor's completion of the Services.
- l. **Sanitary Facilities.** The Contractor shall have access to the use of sanitary facilities available to the general public.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed the day and year first written above.

**CITY OF SHEBOYGAN, WISCONSIN**

**CONTRACTOR**

**BY:** \_\_\_\_\_  
Michael J. Vandersteen, Mayor

**BY:** \_\_\_\_\_

**ATTEST:** \_\_\_\_\_  
Meredith DeBruin, City Clerk

**ATTEST:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**EXHIBIT A**

**SCOPE DOCUMENT  
FOR  
AUTOMATIC TEMPERATURE CONTROLS UPGRADE  
AT  
MEAD PUBLIC LIBRARY**

**710 N. 8th Street  
Sheboygan, WI 53081**

**Prepared by:**

**Muermann Engineering  
107 N. Broadway  
De Pere, WI 54115**

**Contact: Ken Sorensen  
Phone: (920) 544-9404  
Mobile: (920) 634-8007  
Email: ken@me-pe.com**

**April 8, 2019**

**NOTE:**

THIS WRITTEN SCOPE DOCUMENT WAS PREPARED TO ESTABLISH GENERAL THEME AND SCOPE OF WORK RESPONSIBILITY FOR REPLACEMENT OF EXISTING PNEUMATIC CONTROLS AND UPDATES TO BAS / DDC TEMPERATURE CONTROL SYSTEM.

THIS DOCUMENT IS NOT TO BE CONSIDERED A COMPLETE / ENGINEERED DESIGN.

FINAL SYSTEMS DESIGN AND EXACT QUANTITIES OF MATERIALS, DEVICES, EQUIPMENT, ETC.. SHALL BE THE RESPONSIBILITY OF THE DESIGN/BUILD TEMPERATURE CONTROLS CONTRACTOR.

**RELATED SERVICES NOTE:**

THE TEMPERATURE CONTROLS DESIGN/BUILD CONTRACTOR SHALL INCLUDE IN THEIR BID AMOUNT ANY COST FOR MECHANICAL, ELECTRICAL, STRUCTURAL OR PLUMBING MODIFICATIONS REQUIRED TO COMPLETE SCOPE OF WORK AS DESCRIBED.

**AUTOMATIC TEMPERATURE CONTROLS:**

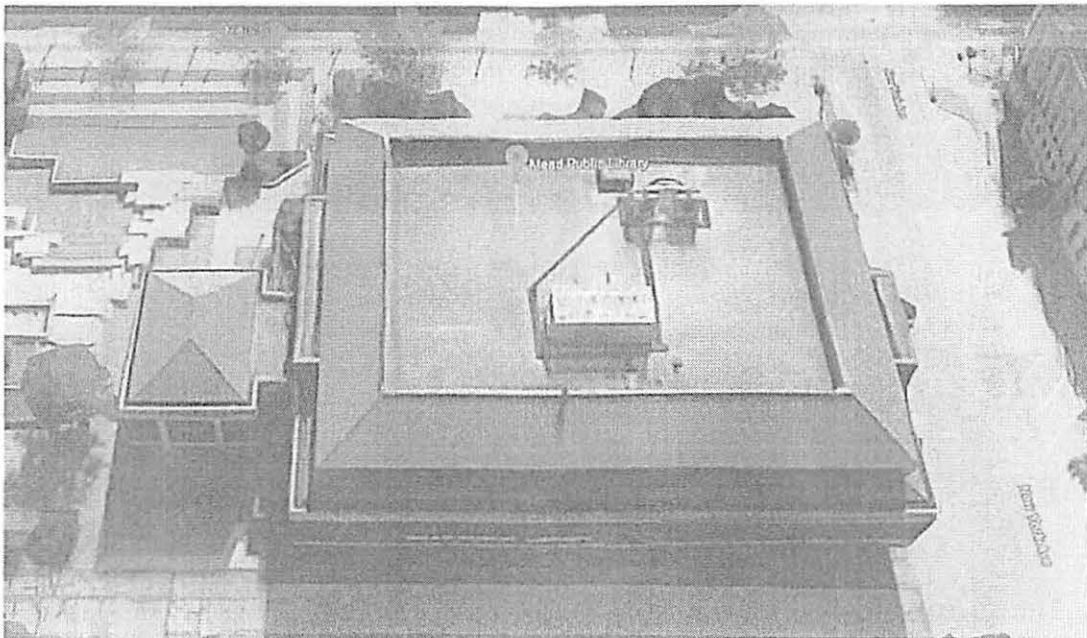
Provide system upgrades to remove and replace ALL existing pneumatic temperature controls.

All HVAC related equipment and systems requiring automatic temperature control shall be upgraded from pneumatic to DDC as part of this project.

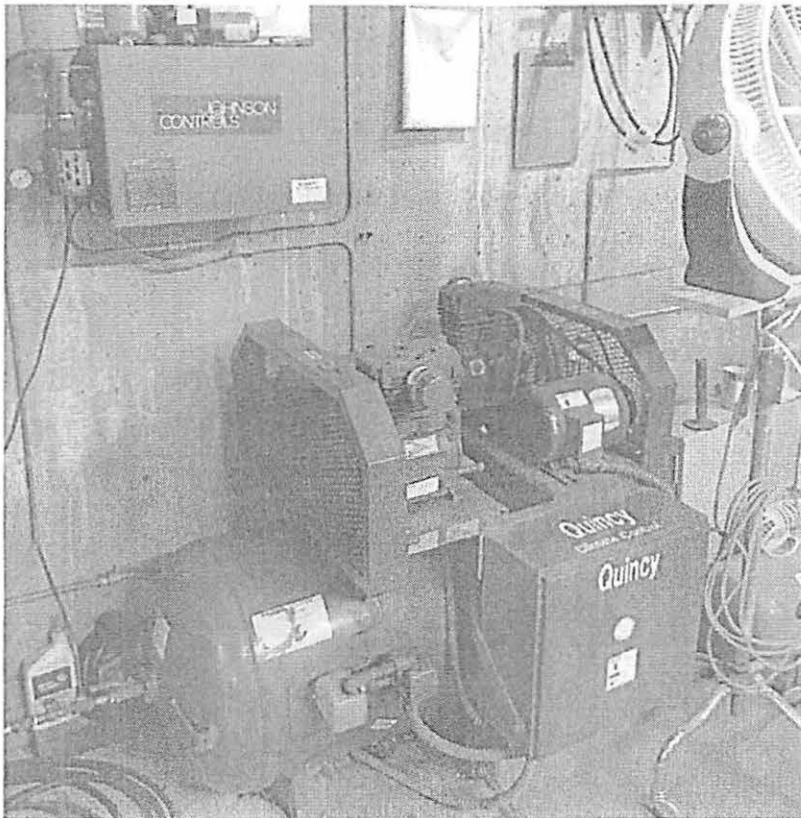
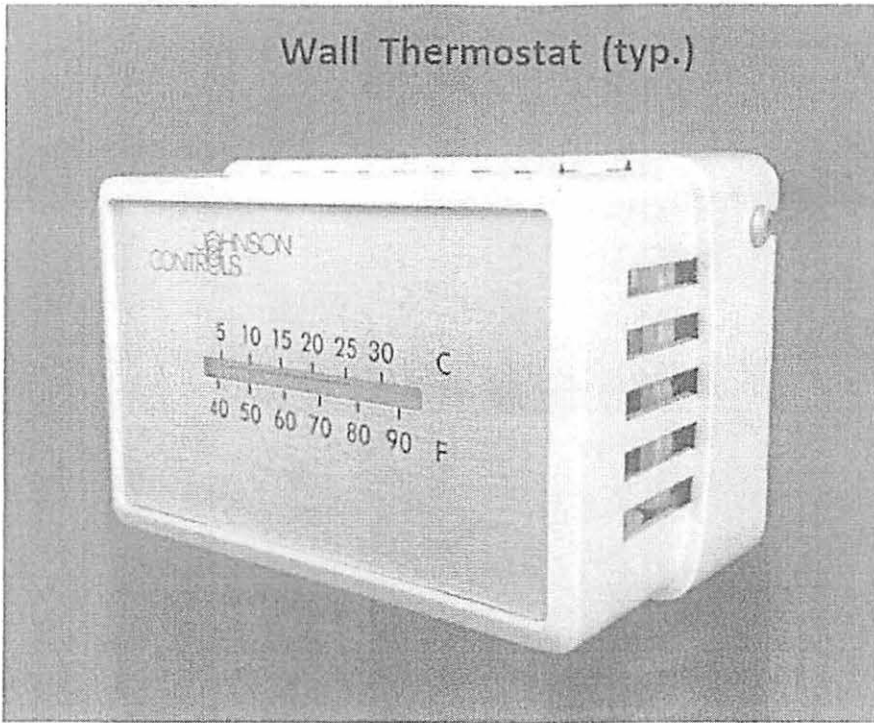
See Specification section 23 09 00 and description of services provided below for additional information.

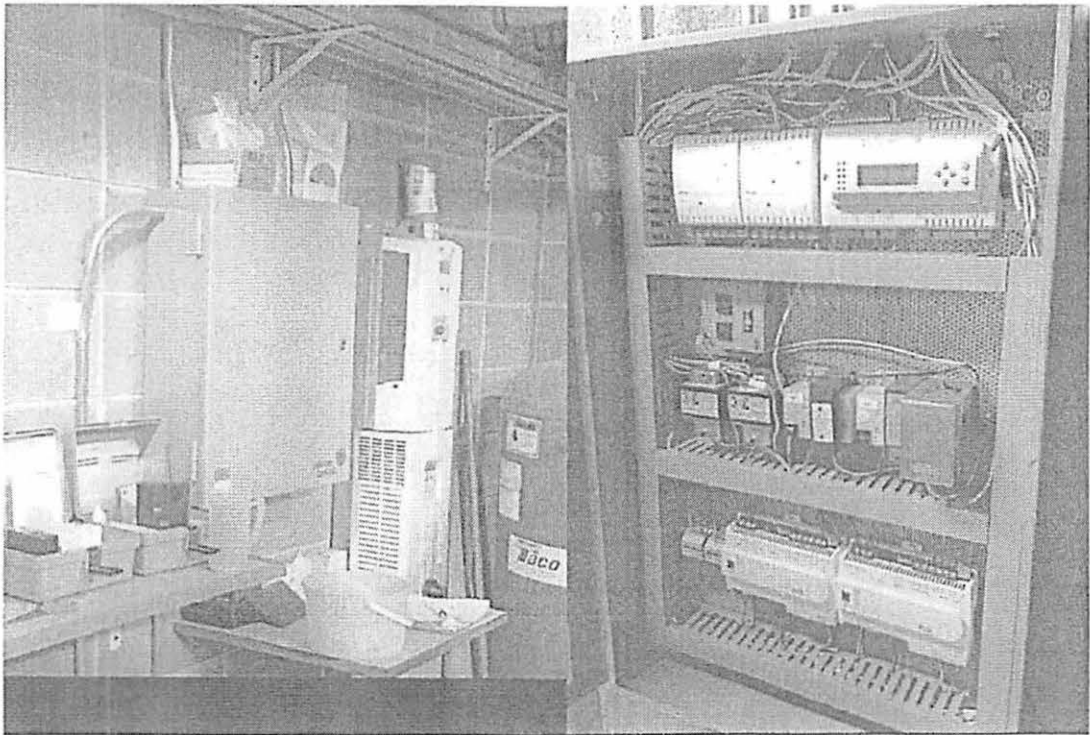
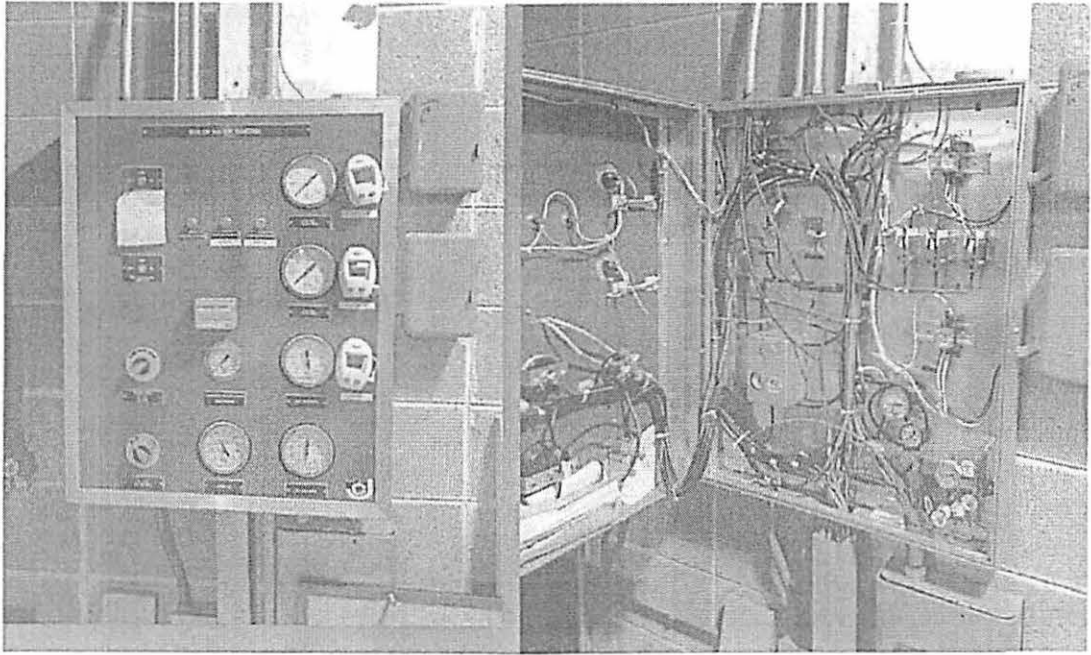
Temperature controls contractor shall provide all materials and labor required to maintain existing sequence of operations. Controls contractor shall also include all temperature control components, materials, software, graphics, programming and labor required to upgrade existing BAS / DDC system to include onsite and off-site monitoring, alarm and adjustment by library operating personnel. Provide web-based head end with internet connection for offsite monitoring, alarm and adjustment through any smart device.

**SATELLITE VIEW: 710 N. 8th Street - Sheboygan, WI 53081:**

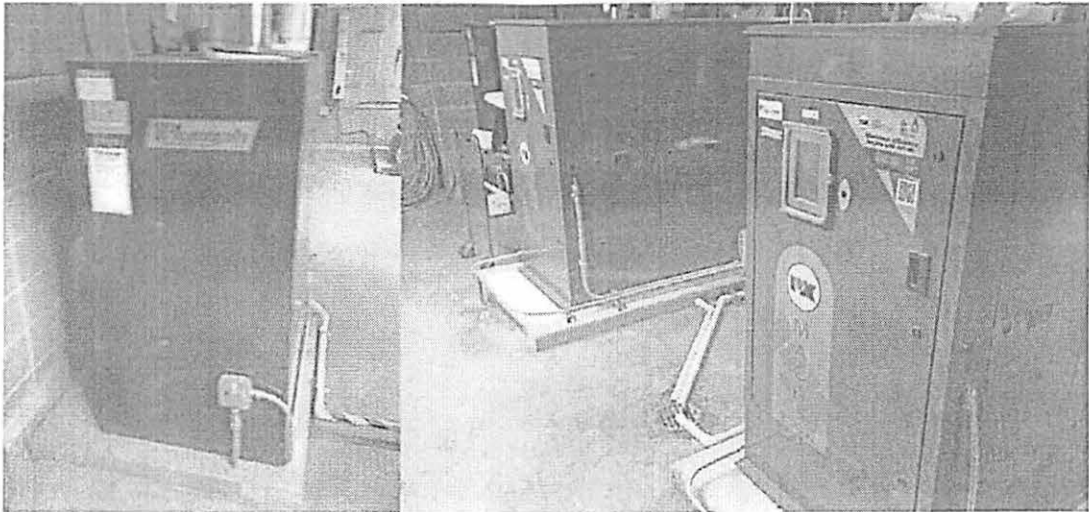


Wall Thermostat (typ.)





Existing Hot Water Boiler Plant - (Located in Lower Level):



Existing Chilled Water Plant - (Located in Lower Level):



**EXISTING INFORMATION:**

**AHU-1 and REF-1:** Constant Volume Air Handling Unit with Relief / Exhaust fan:

**(1972 System located in Lower Level Mechanical room)**

**Owner provided Drawings from 1972 Original Construction set provide the following:**

- Constant volume Re-Heat system includes (45) duct mounted H.W. Booster coils.
- (18) Duct mounted H.W. Booster Coils are used to create zoning on Lower Level.
- (12) Duct mounted H.W. Booster Coils are used to create zoning on 1<sup>st</sup> Floor.
- (18) Duct mounted H.W. Booster Coils are used to create zoning on 2<sup>nd</sup> Floor.
- S.A. fan = 60,760 CFM. Motor HP = 40.0.
- Relief / Exhaust fan = 54,660 CFM. Motor HP = 15.0

**Note:** Variable frequency drives were added to both fans through previous system upgrade project. VFD's are manually adjusted (at the device) to equalize building pressurization when required.

**AHU-2 and REF-2:** Constant Volume Air Handling Unit with Relief / Exhaust fan:

**(1972 System located in Lower Level Mechanical room)**

**Owner provided Drawings from 1972 Original Construction set provide the following:**

- Constant volume Re-Heat system includes (2) duct mounted H.W. Booster coils.
- (1) Duct mounted H.W. Booster Coil for East half of 1<sup>st</sup> Floor meeting room.
- (1) Duct mounted H.W. Booster Coil for West half of 1<sup>st</sup> Floor meeting room.
- Duct mounted H.W. booster coils serving AHU-2, zone 1 and AHU-2, zone 2 are installed in lower level ceiling cavity.
- S.A. fan = 3,000 CFM. Motor HP = 3.0.
- Relief / Exhaust fan = 3,000 CFM. Motor HP = 1.0

**Note:** Variable frequency drives were added to both fans through previous system upgrade project. VFD's are manually adjusted (at the device) to equalize building pressurization when required.

**AHU-3 and REF-3: VAV Air Handling Unit with Relief / Exhaust fan:**

**(1995 Roof mounted AHU, installed inside custom weatherproof equipment enclosure)**

**Owner provided Drawings from 1995 building addition and 2003 remodel provide the following:**

- Variable Air Volume system includes (16) air terminal units (complete w/ H.W. coil).
- (12) VAV boxes w/ integral H.W. Coils are used to create zoning on 3<sup>rd</sup> Floor.
- (2) VAV boxes w/ integral H.W. Coils are used to create zoning at 2<sup>nd</sup> Floor Quiet Study Area (located above North entry vestibule).
- **NOTE:** 2<sup>nd</sup> Floor Quiet Study Area (located above North entry vestibule) includes In-Floor Radiant tube heating and controls.
- S.A. fan = 24,000 CFM. Motor HP = unknown
- Relief / Exhaust fan = 20,000 CFM. Motor HP = unknown

**INSTRUCTION TO BIDDERS:**

- A. The Bidder shall visit and examine the site to acquaint themselves with the building, site and actual installed conditions.
- B. The quantities listed above for terminal heating devices and temperature control zones are based on existing drawings, site observation and input from maintenance staff. Determination of exact quantities and installed locations for ALL HVAC related equipment and devices that require DDC upgrade shall be the responsibility of the awarded design build temperature controls contractor.
- C. Existing HVAC drawings from 1972 original construction, 1995 3<sup>rd</sup> floor building addition and 2003 interior build-out renovation projects are available in .PDF format upon request.
- D. All Pre-bid access to site and contractor request for additional information shall be obtained through owner representative Bernie Rammer.  
E-mail: [Bernard.rammer@sheboyganwi.gov](mailto:Bernard.rammer@sheboyganwi.gov)  
Telephone: (920) 459-3469.
- E. The Owner reserves the right to reject all Bids or any Bid or to waive any irregularities in any bid, or to accept any bid which will best serve the interests of the owner.
- F. The owner representative will receive sealed bids for the above project before as specified in the Ad for Bids.
- G. The successful Bidder will be required to do all work which is identified in this written scope document or reasonably implied as necessary to complete his/her contract.

**DESCRIPTION OF SERVICES:**

- A. The City of Sheboygan may choose to complete this project in many phases, over the course of several years. See description of phasing below.
- B. **Phase ONE, BASE BID:** The contractors base bid amount shall provide system upgrades to the existing Automatic temperature controls that include the following:
- o Provide new web-based head end DDC controls system complete with internet connection for onsite and offsite monitoring, alarm and adjustment.
  - o All upgrades shall be native BACnet open protocol (non-proprietary) installation.
  - o Provide new BAS/DDC software & graphics to be installed on owners operating network.
  - o System monitoring, alarm and adjustment shall be available to owner through their workstation computers, tablets and smart devices that are equipped with browser (onsite and remote).
  - o Control devices, components, wiring and materials required for BAS/DDC upgrade at building major HVAC systems including: Boilers, Air Handling units, Chiller, cooling tower and pumps shall be included in this base bid amount.
  - o Provide building static pressure sensors, control devices, wiring, software, graphics and programming as required for automatic control of AHU-1 supply fan VFD and AHU-1 return exhaust fan VFD. Control sequence shall provide building pressure equalization.
  - o Provide building static pressure sensors, control devices, wiring, software, graphics and programming as required for automatic control of AHU-2 supply fan VFD and AHU-2 return exhaust fan VFD. Control sequence shall provide building pressure equalization.
  - o Provide CO2 based demand-controlled ventilation for AHU-1.
  - o Provide CO2 based demand-controlled ventilation for AHU-3.
  - o Provide Control sequence for automatic modulation of Ventilation Air through Carbon Dioxide (CO2) based sensors.
  - o Integration of upgraded control points at major HVAC systems into new web-based head end BAS / DDC system.
  - o Instructions for Owners including (4) hours of onsite training.
- C. **ALTERNATE No.1: FIRST FLOOR**
- o Provide controls upgrade to direct digital control (DDC) at all HVAC related terminal units, fans & mechanical systems that previously utilized pneumatic air signal.
  - o Summary of devices to be included as part of Alternate No. 1 are as follows:
    - (12) Duct mounted H.W. booster coils off AHU-1
    - (2) Duct mounted H.W. booster coils off AHU-2
    - (4) H.W. Convectors
    - (6) H.W. Cabinet Unit heaters
    - (5) H.W. Baseboard heaters
    - Exhaust and Make-up air systems dedicated to "Trash Room"
    - (1) In-line exhaust fan for 1st floor toilet rooms
  - o Integration of upgraded control points (including software, graphics and programming) for 1<sup>st</sup> floor HVAC related terminal units, fans and mechanical systems into the web-based head end BAS / DDC system provided through phase ONE, BASE BID.

**D. ALTERNATE No.2: SECOND FLOOR**

- o Provide controls upgrade to direct digital control (DDC) at all HVAC related terminal units, fans & mechanical systems that previously utilized pneumatic air signal.
- o Summary of devices to be included as part of Alternate No. 2 are as follows:
  - (18) Duct mounted H.W. booster coils
  - (2) VAV boxes w/ H.W. coil off AHU-3
  - (5) H.W. Convectors
  - In-floor radiant tube heating (located at Quiet Study Area)
- o Integration of upgraded control points (including software, graphics and programming) for 2<sup>nd</sup> floor HVAC related terminal units, fans and mechanical systems into the web-based head end BAS / DDC system provided through phase ONE, BASE BID.

**E. ALTERNATE No.3: THIRD FLOOR**

- o Provide controls upgrade to direct digital control (DDC) at all HVAC related terminal units, fans & mechanical systems that previously utilized pneumatic air signal.
- o Summary of devices to be included as part of Alternate No. 3 are as follows:
  - (12) VAV boxes w/ H.W. coil off AHU-3
  - (13) H.W. Baseboard heaters
  - (1) Exhaust fan for 3<sup>rd</sup> floor toilet rooms.
- o Integration of upgraded control points (including software, graphics and programming) for 3<sup>rd</sup> floor HVAC related terminal units into the web-based head end BAS / DDC system provided through phase ONE, BASE BID.

**F. ALTERNATE No.4: LOWER LEVEL (Basement)**

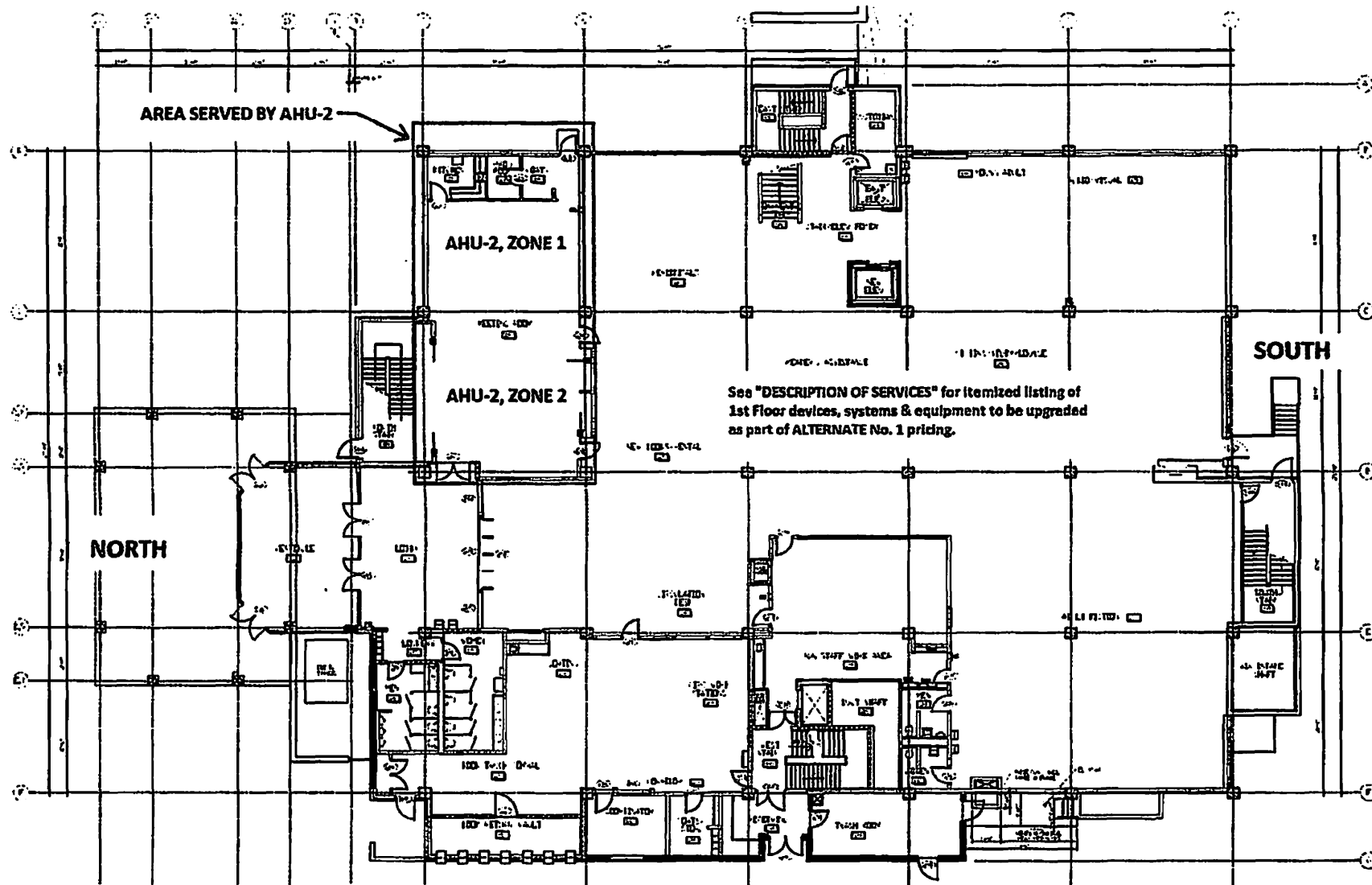
- o Provide controls upgrade to direct digital control (DDC) at all HVAC related terminal units, fans & mechanical systems that previously utilized pneumatic air signal.
- o Summary of devices to be included as part of Alternate No. 4 are as follows:
  - (18) Duct mounted H.W. booster coils off AHU-1
  - (9) H.W. Convectors
  - (4) H.W. Baseboard heaters
- o Integration of upgraded control points (including software, graphics and programming) for lower level HVAC related terminal units into the web-based head end BAS / DDC system provided through phase ONE, BASE BID.

**GENERAL NOTES:**

- A. At the completion of ALL project alternates the Automatic Temperature Controls Contractor shall decommission the existing duplex air compressor for use with automatic temperature controls system. The existing air compressor shall remain in current installed location and be utilized by owner operating staff as "workshop compressor" for hand tools requiring compressed air.**
- B. Wall mounted replacement thermostats to be installed in public spaces shall be sensor only type device without point of use adjustment.**
- C. Wall mounted replacement thermostats to be installed in spaces that are not accessible to public shall include point of use adjustment at device or through DDC/BAS head end.**
- D. All work shall be performed to state and local codes.**
- E. Provide owner with operation and maintenance manuals.**
- F. Install all new equipment and controls according to manufacturer's guidelines and recommendations.**
- G. Provide testing, adjustment and calibration of replacement system and controls as required for proper operation.**
- H. The design/build Temperature Controls contractor shall be responsible for complete working system.**

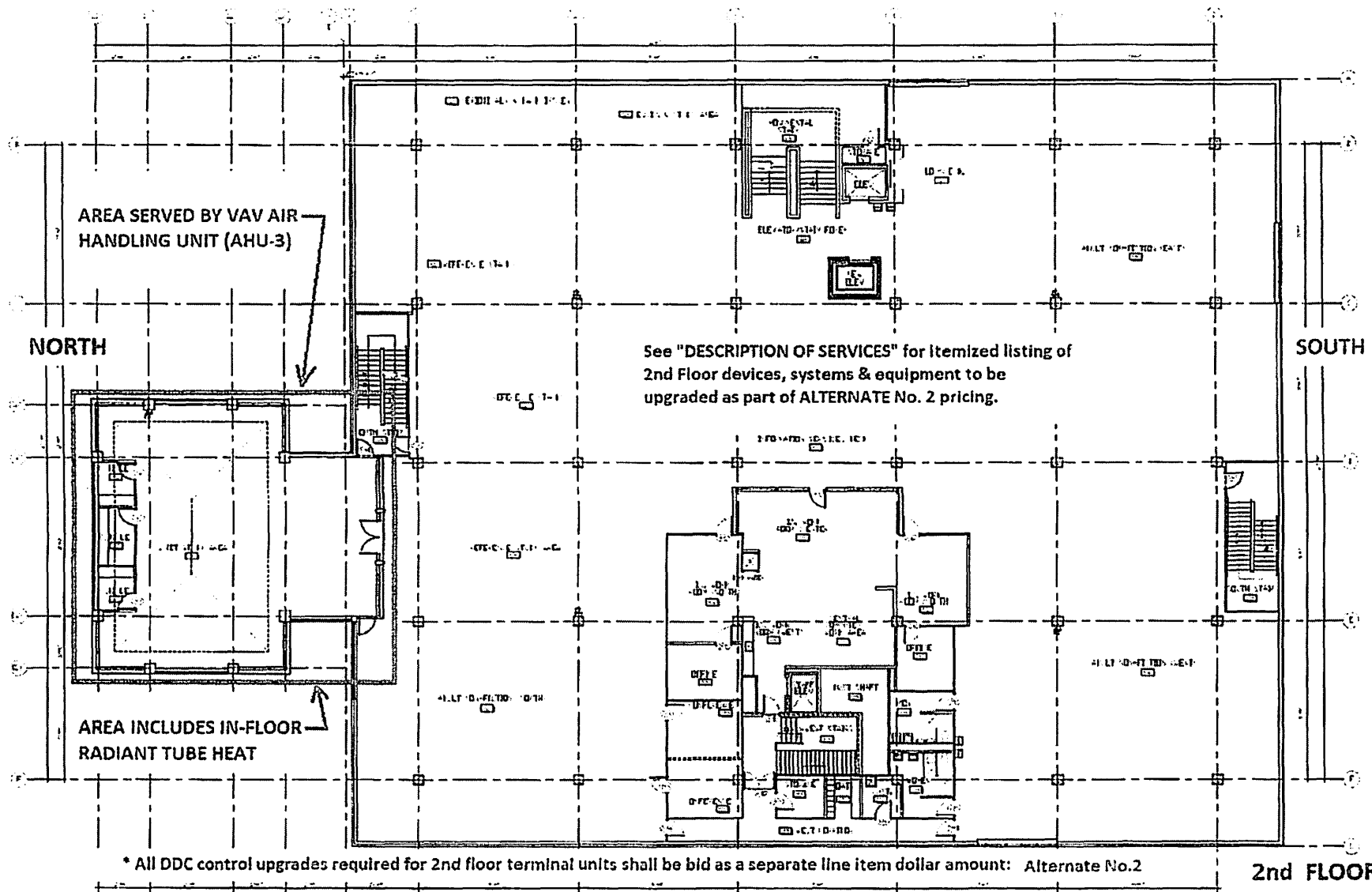
**END**

**SEE ATTACHMENTS BELOW**



\* All DDC control upgrades required for 1st floor terminal units shall be bid as a separate line item dollar amount: Alternate No.1

1st FLOOR



AREA SERVED BY VAV AIR HANDLING UNIT (AHU-3)

NORTH

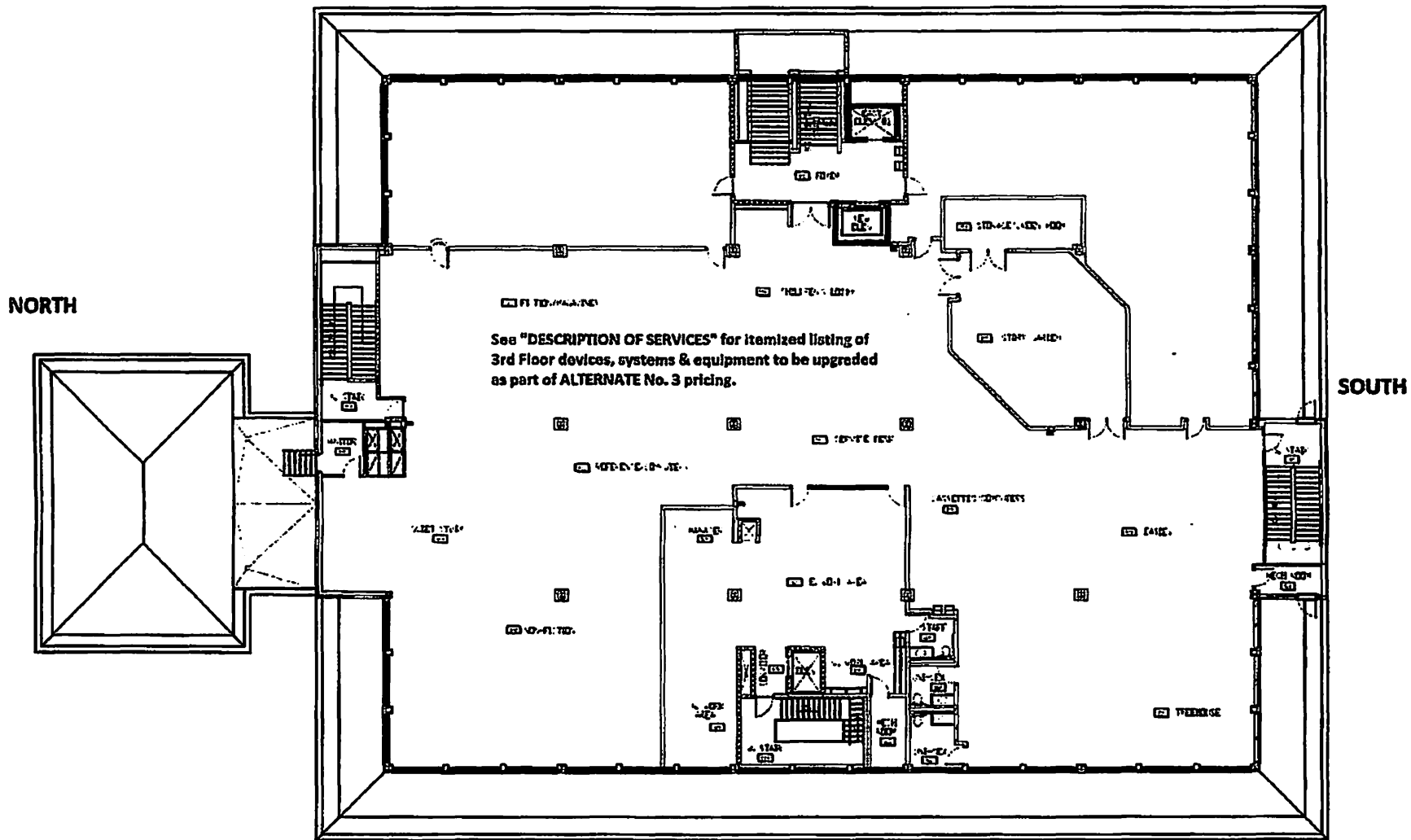
SOUTH

See "DESCRIPTION OF SERVICES" for Itemized listing of 2nd Floor devices, systems & equipment to be upgraded as part of ALTERNATE No. 2 pricing.

AREA INCLUDES IN-FLOOR RADIANT TUBE HEAT

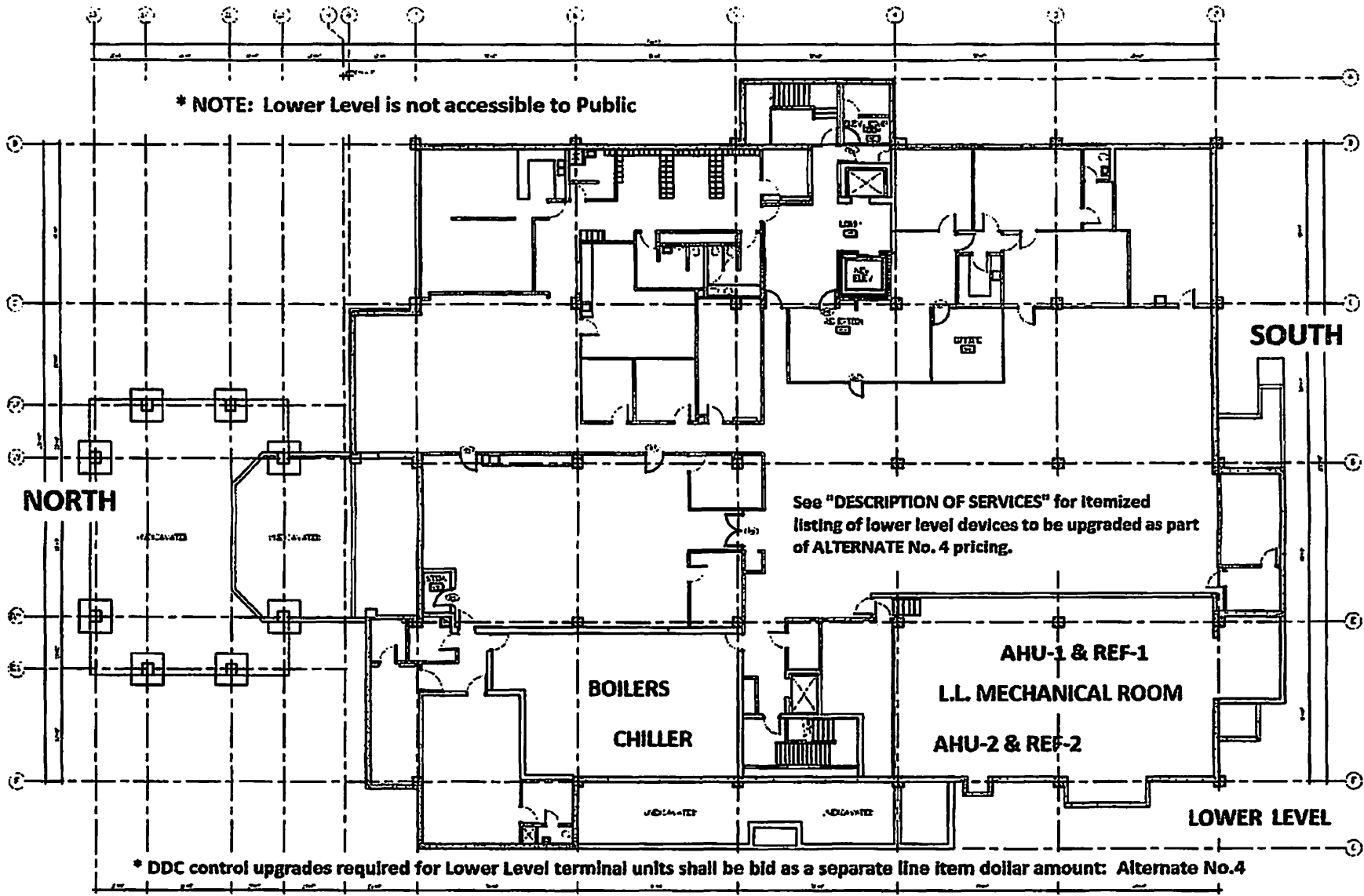
\* All DDC control upgrades required for 2nd floor terminal units shall be bid as a separate line item dollar amount: Alternate No.2

2nd FLOOR



\* All DDC control upgrades required for 2nd floor terminal units shall be bid as a separate line item dollar amount; Alternate No.3

3rd FLOOR



**\* NOTE: Lower Level is not accessible to Public**

See "DESCRIPTION OF SERVICES" for Itemized listing of lower level devices to be upgraded as part of ALTERNATE No. 4 pricing.

**\* DDC control upgrades required for Lower Level terminal units shall be bid as a separate line item dollar amount: Alternate No.4**

**SECTION 23 09 00**  
**TEMPERATURE CONTROLS**

**PART 1 GENERAL**

**1.01 WORK INCLUDED**

- A. Provide system upgrades to existing Automatic temperature controls.
- B. Upgrades shall be native BACnet open protocol (non-proprietary) installation.
- C. Provide web-based head end with internet connection for onsite and offsite monitoring, alarm and adjustment.
- D. Provide new BAS/DDC software & graphics to be installed on owners operating network.
- E. Control devices, components, wiring and material.
- F. Integration of all existing control points into upgraded BAS / DDC.
- G. Extend upgraded BAS / DDC system to all existing and new equipment.
- H. Instructions for Owners including (4) hours of onsite training.

**1.02 RELATED WORK**

- A. Existing - HVAC Pumps
- B. Existing – Hot water boiler for human comfort
- C. Existing - Ductwork Accessories
- D. Existing – Constant volume duct mounted reheat coils.
- E. Existing - Variable Air Volume boxes.
- F. Existing – In-floor radiant tube heat.
- G. Existing - Terminal Heat Transfer Units.

**1.03 SUBMITTALS**

- A. Provide complete operating data, system drawings, wiring diagrams, and written detailed operational description of sequences, and description and engineering data on each control system component.
- B. At completion of work, submit report of checkout of automatic control system.

**PART 2 PRODUCTS**

**2.01 ACCEPTABLE MANUFACTURERS**

- A. Johnson Controls
- B. Siemens Controls
- C. Automated Logic
- D. Alerton Controls
- E. Honeywell Controls
- F. Carrier Controls
- G. Owner Approved Equal

**2.02 SYSTEM REQUIREMENTS**

- A. Provide control systems consisting of thermostats, control valves, operators, indicating devices, interface equipment, web Server, web user interface, BACnet controllers and other apparatus required to operate mechanical system and to perform functions specified.
- B. Provide materials and fieldwork necessary to connect control components factory supplied as part of equipment controlled, unless specified otherwise.
- C. Provide software and graphics as required for monitoring and adjustment of all new temperature control devices and at existing equipment presently controlled through building automation system.
- D. System monitoring, alarm and adjustment shall be available to owner through their personnel computers, tablets and smart devices that are equipped with browser (onsite and remote).

- E. Unless specified otherwise, provide fully proportional components.
- F. All work shall be installed by mechanics directly employed by this manufacturer who shall be responsible for the proper installation and operation of the control equipment.

### **2.03 WIRING**

- A. All low voltage wire shall be plenum rated thermostat wire clipped neatly in place. All line voltage wiring to be run concealed in thin wall conduit. Line voltage in conduit wiring must comply with the electrical code requirements. The Control Contractor shall install all electric wiring required for the control system.

### **2.04 WARRANTY**

- A. Provide all services, materials and equipment necessary for the successful operation of the entire BAS system for a period of one year after final acceptance of the system.
- B. Provide adjustment, required testing, and repair of the system including all computer software & graphics, transmission equipment and all sensors and control devices.

### **2.05 DAMPER OPERATORS**

- A. All damper operators shall be furnished and installed by the automatic temperature control contractor. Provide operator as recommended by the unit manufacturer. All damper operators are to be either fully proportional or two-position as required.

### **2.06 VALVES**

- A. All control valves shall be constructed with cast-brass bodies and stainless steel stems. All valves 2-1/2" and over are to be the flange type, valves 2" and smaller can be either screwed or union connections as required. All valves for this control system shall be suitable for the medium being controlled.
- B. Where valves are operated in sequence with other valves or dampers, they are to be equipped with adjustable ranges for both throttling range and starting point. All control valves shall be furnished by the automatic temperature control subcontractor but shall be installed by the Heating, Ventilating and Air Conditioning Contractor.
- C. Water valves shall be sized for a pressure drop equal to the coil they serve but not to exceed 3 psi. Valves shall have replaceable seats and discs.

### **2.07 GAUGES**

- A. Provide and install air pressure gauges where required, to indicate at all times the position of the equipment to be controlled. The gauges shall be furnished in each line connection for all duct and insertion thermostats. The gauge faces shall be marked with the range of the units being controlled.

### **2.08 THERMOSTATS, SENSORS AND CONTROLLERS**

- A. Sensors and thermostats must be BACnet compatible and offer remote access for monitoring and adjustment from anywhere, using PC's, tablets and mobile devices.

### **2.09 BUILDING PRESSURIZATION UPGRADE TO EXISTING SYSTEMS**

- A. Provide Control devices and programming as required for automatic control of building pressurization.
  - 1. Provide Building Level Controller (shared with associated AHU-1 & REF-1 VFD's).
  - 2. Provide Modulating RA and OA damper operators.
  - 3. Provide Building static pressure sensors.
- B. Control Sequence

1. The control shall function so that the exhaust air damper modulates open and the unit fan motor starts at minimum speed whenever the building static pressure rises above setpoint.
2. The DDC control program shall modulate the existing variable frequency drives serving AHU-1 and REF-1 as required to maintain building static pressure setpoint. (+0.03" w.c., adj.)
3. On a drop in building static pressure below setpoint the fan shall modulate and the exhaust air damper shall close. Provide a deadband to prevent frequent cycling of the fan.
4. Provide delayed action control logic and sensors in sufficient quantity to maintain consistent building pressure and limit excessive modulation of the fan.

### **PART 3 EXECUTION**

#### **3.01 INSTALLATION**

- A. Check and verify location of thermostats and other exposed control sensors with plans and room details before installation. Locate thermostats 48" above floor or in accordance with ADA height requirements.
- B. At completion of the control system installation, the Temperature Control Contractor shall provide (4) hours of onsite instruction to the owner's operating personnel.
- C. The Temperature Control Contractor shall provide the services of a Temperature Control Technician to be on the job site and work with the Heating Contractor to start and set-up the BAS/DDC extension to all replacement equipment.
- D. Provide for complete service of controls system, including callbacks, for one (1) year running concurrent with connection period.

**END OF SECTION**

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** Finance and Human Resources Department Operational and Departmental Structure Study

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**REPORT PREPARED BY:** Sandy Rohrick, Director of Human Resources and Labor Relations And Marty Halverson, Finance Director/Treasurer

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**REPORT DATE:** July 2, 2019

**MEETING DATE:** July 15, 2019

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

Common Council has expressed an interest in systematically conducting an outside review of each city department. A Fire Department study was conducted in 2018. Turnover of key personnel in the Finance Department, as well as a future collaborative work environment in the remodeled city hall is cause for a recommendation of reviewing these two internal services departments. The R.C. No. 311-18-19 and Res. No. 206-18-19 both supported this approach by approving an RFP for an operational assessment.

**STAFF COMMENTS:**

This action supports both the current and future needs of the organization and will help to best identify appropriate organizational structure along with analysis to evaluate current processes. It is City staff's belief that this analysis will lead to efficiency gains as well as improved documentation working towards the necessary steps to improve the identified deficiencies following the 2018 year-end audit.

The Council approved RFP process generated four responses with fees ranging from \$14,800 to \$62,000. These four responses were narrowed down to the top two choices (Clifton Larson Allen "CLA" and Better Dash Faster Consulting) based on leadership discussion regarding the firms staff and proposal. Based upon reference phone calls, management's recommendation is to select CLA as the best suited firm to meet the City's goals identified in the RFP.

**ACTION REQUESTED:**

For informational purposes only.

**ATTACHMENTS:**

- I. R.C. No. 311-18-19
- II. Res. No. 206-18-19

VIII

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R. C. No. 311 - 18 - 19. By FINANCE AND PERSONNEL COMMITTEE.  
April 15, 2019.

Your Committee to whom was referred Res. No. 206-18-19 by Alderpersons Rindfleisch and Bohren directing the Purchasing Agent to seek Requests for Proposal for an Operational and Departmental Structure Study of the City of Sheboygan Finance Department and Human Resources Department; recommends approving the Resolution.

*By:  
Rindfleisch/Bohren  
Pass Res*

*Ronald Rindfleisch  
James A. Bohren*

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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

Other Matters

8.3

Res. No. 206 - 18 - 19. By Alderpersons Rindfleisch and Bohren.  
April 3, 2019.

A RESOLUTION directing the Purchasing Agent to seek Requests for Proposal for an Operational and Departmental Structure Study of the City of Sheboygan Finance Department and Human Resources Department.

WHEREAS, the Common Council has expressed an interest in systematically conducting an outside review of each city department; and

WHEREAS, the Common Council initiated its review effort by conducting an Operational and Departmental Structure Study of the Fire Department in 2018; and

WHEREAS, the City Administrator has suggested the following items be included in the operational and departmental structure study:

- Review background information;
- Stakeholder input;
- Document and review information;
- Develop benchmark analysis;
- Develop Organizational Structure and Staffing Plan; and
- Prepare and issue Report of Findings.

NOW, THEREFORE, BE IT RESOLVED: That the Purchasing Agent is directed to seek Requests for Proposal for an Operational and Departmental Structure Study of the City of Sheboygan Finance Department and Human Resources Department for city consideration.

Finance & Personnel  
approve

Ronald Rindfleisch  
James C. Bohren

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the 15<sup>th</sup> day of April, 2019.

Dated April 16, 2019. Muedin Duffin City Clerk

Approved April 16, 2019. Michael J. Wandruska Mayor

Published April 20, 2019.  
Certified April 16, 2019 to - Fin. Dir.; CA.; Bernie Rammer; HR.