

*****ATTACHMENTS*****

II

A.1

R. O. No. 142 - 18 - 19. By CITY CLERK. October 15, 2018.

Submitting a communication from Carol Lutz of Rockets for Schools requesting three of the City days for 2019, 2020 and 2021 for the Rockets for Schools Event at Blue Harbor.

Finance
Personnel

CITY CLERK



ROCKETS FOR SCHOOLS

Spaceport Sheboygan

Proudly
Sponsored By:

September 18, 2018



Miss Meredith DeBruin, City Clerk
606 North 9th Street
Sheboygan, Wisconsin 53081

Dear Miss DeBruin:

On behalf of the Rockets for Schools Board of Directors, my husband Randy and I along with our co-director, Kenny Bergschultz, we would like to take this opportunity to thank you Miss DeBruin, along with Mayor Vandersteen and the City of Sheboygan for all of the support that we so graciously received in the past.

As you know, this program is a unique educational activity designed to foster an interest in math, science and engineering in our students through their intrinsic interest in rocketry and space travel.

At this time, we are requesting three of the City Days for 2019; three of the City days for 2020; and three of the City Days for 2021, Rockets for Schools Event. Blue Harbor gave Rockets for Schools the following days: Thursday, May 9th, Friday May 10th and Saturday May 11, 2019; Thursday, May 7th; Friday, May 8th; and Saturday, May 9th, for the 2020 event; and Thursday, May 6th, Friday, May 7th and Saturday, May 8th, for the 2021 event.

We would again like to thank The City of Sheboygan for their continuous support of the Rockets for Schools Program.

If you have any questions or need us to speak to the council, please give us a call at 920.980.7760. Thank you for your help.

Sincerely,

A handwritten signature in cursive script that reads 'Carol'.

Carol Lutz
Rockets for Schools
CC: Mayor Vandersteen

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: R.O. No. 141-18-19 Submitting an article in the Milwaukee Journal Sentinel, "Workers paying increasing share of health benefits" from October 4, 2018.

REPORT PREPARED BY: Sandy Rohrick, Director of Human Resources and Labor Relations

REPORT DATE: October 18, 2018

MEETING DATE: October 22, 2018

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

BACKGROUND / ANALYSIS:

Alderperson Bohren has forwarded two documents from the Milwaukee Journal Sentinel relating to health insurance costs and asks committee members to be informed on the topic.

STAFF COMMENTS:

The article shines a good light on the difficulty most employer and employees (and their families) have in the area of health insurance.

ACTION REQUESTED:

For informational propose only.

ATTACHMENTS:

- I. R.O. No. 141-18-19
- II. Milwaukee Journal Sentinel article

II

4.4

R. O. No. 141 - 18 - 19. By CITY CLERK. October 15, 2018.

Submitting an article published in the Milwaukee Journal Sentinel on October 4, 2018 at the request of Alderperson Bohren regarding health benefits.

Finance Personnel

CITY CLERK

Workers paying increasing share of health benefits

Employees now paying \$5,547 of premium cost

Guy Boulton Milwaukee Journal Sentinel
USA TODAY NETWORK - WISCONSIN

Workers who get health insurance through their employer now pay about \$5,500 a year, or more than \$100 a week, on average for a family coverage — and they are paying only about 29 percent of the cost.

Deductibles, co-insurance and other out-of-pocket expenses can add more than \$2,000 to a family's annual expenses.

As a result, people can struggle to

pay for coverage even with employers paying much of the costs.

That's one of the takeaways from the Kaiser Family Foundation's annual survey on the cost of health insurance provided by employers.

"Rising health care costs absolutely remain a burden for employers, but they are a bigger problem for workers as their cost-sharing has been rising really much faster than their wages," said Drew Altman, president and chief executive officer of the Kaiser Family Foundation.

The average cost of family coverage for employers and employees is \$19,616 this year, up 5 percent from last year, with workers paying \$5,547 of the pre-

mium.

The cost has increased 20 percent since 2013 and 55 percent since 2008.

The cost for single coverage is much lower: \$6,896 this year, up 3 percent, with workers contributing an average of \$1,186.

The increase in premiums, however, doesn't include deductibles and other out-of-pocket expenses — and those, too, have steadily increased.

About a quarter of workers now are in health plans with a deductible of at least \$2,000, and among employers with fewer than 200 workers, 42 percent have deductibles of at least that

See BENEFITS, Page 11A

MIL. JOURNAL/SENTINEL 10/4/18

Benefits

Continued from Page 10A

amount.

About 152 million Americans get health insurance through an employer.

The annual increases have slowed over the past five and 10 years compared with the sharp increases from 2000 through 2006, when the cost of family coverage increased 78 percent.

The trend is expected continue next year.

The preliminary responses to an annual survey done by Mercer, a benefits consultant, found that the cost of health benefits will increase 4.1 percent on average after changes in plan design next year.

But the increases still far outpace the increase in wages and inflation.

Altman noted that the average annual cost of family health insurance for employers and employees is the cost of a new Honda Civic.

The increases depress wages, given that employers look at total compensation costs. And health systems still consistently raise prices for health plans at a faster pace than inflation.

"Insurers and health plans are paying the health systems what the health systems want, and we have seen health prices go way up," said Gary Claxton, a vice president and director of the Health Care Marketplace Project at the Kaiser Family Foundation.

The Kaiser survey, now in its 20th year, is the most widely followed benchmark for the cost of employer health benefits. It was based on responses from almost 2,200 small and large employers this year.

The survey is in line with a recent survey by M3, a benefits consultant and insurance broker based in Madison, of its clients in Wisconsin. That survey found that health care costs increased 6.1 percent on average this year, the lowest increase since 2014.

The trend has been for increases of 5 to 7 percent for roughly a decade, said Brian Meyer, director of risk management for M3. The increases have been driven by price increases and the rising cost of prescription drugs, particularly specialty medications.

Costs vary based on the size and type of employer, location and other factors. Among the findings in the Kaiser survey:

▣ Workers in small employers on average must pay a larger share of the cost of family coverage than workers in large firms — 38 percent compared with 26 percent.

▣ An estimated 34 percent of workers in small employers are in a health plan for which they must pay more than half of the premium for family coverage.

▣ Workers for employers in which at least 35 percent of the workers earn \$25,000 a year or less pay a larger percentage of the total cost of health insurance — 24 percent for single coverage and 42 percent for family coverage.

The Kaiser survey also found that high-deductible health plans paired with health savings or health reimbursement accounts are becoming increasingly common.

The survey found that 29 percent of employers offer a high-deductible health plan with a savings option — a 50 percent increase since 2013. The plans are more common in the Midwest, where 39 percent of workers are enrolled in health plans tied to a savings account.

Increasing deductibles has helped to keep premium increases relatively low, but the trend may be running its course as unemployment has fallen.

Employers are more of wary of making changes in the design of their health plans, said Meyer of M3.

"The difficulty of attracting and retaining employees is becoming more important," he said.

At the same time, employers are focusing more on initiatives to help keep employees healthy, Meyer said. That also can be seen in the Kaiser survey: Most large employers — 70 percent — offer health risk assessments or biometric screenings to employees, and 38 percent offer incentives for them to participate.

Employers also are drawing on mobile apps or wearable devices, such as a Fitbit or Apple Watch, in their wellness or health promotion programs. Roughly one in five report that they collect some information from the devices, according to the Kaiser survey.

The high cost of providing health benefits is spurring employers to explore new ways of paying doctors and hospitals, such as so-called bundled payments, in which a health plan pays a set amount for a total episode of care, Meyer said.

More employers also are offering incentives to employees to get care from health care providers who provide quality care at a lower price.

The Alliance, an employer coalition based in Madison, for example, is pushing health systems to accept so-called bundled payments for certain types of services, such as replacing a hip or knee.

The goal is to move away from a system in which health systems and physicians are paid based on the type and number of services they provide, what is known as fee-for-service. It has been slow going.

"It's taken a ridiculously long time," said Cheryl DeMars, chief executive officer of the Alliance.

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 109-18-19 by Alderpersons Rindfleisch and Bohren. A resolution providing for the sale of approximately \$3,100,000 Taxable General Obligation Refunding Bonds.

REPORT PREPARED BY: Marty Halverson, Finance Director

REPORT DATE: October 18, 2018

MEETING DATE: October 22, 2018

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

BACKGROUND / ANALYSIS:

The City of Sheboygan is preparing for the sale of taxable general obligation refunding bonds for the public purpose of refunding certain outstanding obligations of the City, to wit: a portion of the Taxable Note Anticipation Notes, dated July 2, 2018; and the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations on their maturity date for the purpose of providing permanent financing for the projects financed by the Refunded Obligations. The Taxable General Obligation Refunding Bonds are scheduled to be offered for public sale on November 5, 2018 with an issue date of December 5, 2018.

STAFF COMMENTS

Staff members have been in discussions with Carol Wirth of WI Public Finance Professional LLC to coordinate the refunding of these Taxable Note Anticipation Notes, dated July 2, 2018.

ACTION REQUESTED

Motion to recommend the Common Council approve Res. No. 109-18-19 by Alderpersons Rindfleisch and Bohren.

ATTACHMENTS:

- I. Res. No. 109-18-19

III

5.3

Res. No. 109 - 18 - 19. By Alderperson Rindfleisch. October 15, 2018.

RESOLUTION AWARDING THE SALE OF \$3,800,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS.

WHEREAS, on October 1, 2018, 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 taxable general obligation refunding bonds for the public purpose of refunding certain outstanding obligations of the City, to wit: a portion of the Taxable Note Anticipation Notes, dated July 2, 2018 (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 on their maturity date for the purpose of providing permanent financing for the projects financed by the Refunded Obligations;

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue such general obligation refunding 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 ("WPFP") to take the steps necessary to sell general obligation refunding bonds designated "Taxable General Obligation Refunding Bonds" (the "Bonds") to pay the cost of the Refunding;

WHEREAS, WPFP, 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 November 5, 2018;

WHEREAS, the City Clerk (in consultation with WPFP) 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 November 5, 2018;

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

*Preliminary, subject to change.

Finance
+ Personnel

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 EIGHT HUNDRED THOUSAND DOLLARS (\$3,800,000) 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"; shall be issued in the aggregate principal amount of \$3,800,000; shall be dated December 5, 2018; 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

*Preliminary, subject to change.

*Preliminary, subject to change.

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, 2019. 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, 2029 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2028 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 2018 through 2037 for payments due in the years 2019 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 Taxable General Obligation Refunding Bonds, dated December 5, 2018" (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. 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 16. 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 17. 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.

Renard R. Pfeiffer

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 2018.

Dated _____, 20____, _____, City Clerk

Approved _____, 20____, _____, 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)

SECRET

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)

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

MATURITY DATE: ORIGINAL DATE OF INTEREST RATE: CUSIP:
ISSUE:
December 1, _____ December 5, 2018 _____ % _____

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, 2019 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 \$3,800,000, 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 purpose of refunding certain obligations of the City, as authorized by a resolution adopted on November 5, 2018. Said resolution is recorded in the official minutes of the Common Council for said date.

The Bonds maturing on December 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2028 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

ITEM DESCRIPTION: Res. No. 110-18-19 by Alderpersons Rindfleisch and Bohren. A resolution providing for the sale of approximately \$5,800,000 General Obligation Refunding Bonds.

REPORT PREPARED BY: Marty Halverson, Finance Director

REPORT DATE: October 18, 2018

MEETING DATE: October 22, 2018

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

BACKGROUND / ANALYSIS:

The City of Sheboygan is preparing for the sale of taxable general obligation refunding bonds for the public purpose of refunding certain outstanding obligations of the City, to wit: a portion of the Taxable Note Anticipation Notes, dated July 2, 2018; and the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations on their maturity date for the purpose of providing permanent financing for the projects financed by the Refunded Obligations. The General Obligation Refunding Bonds are scheduled to be offered for public sale on November 5, 2018 with an issue date of December 5, 2018.

STAFF COMMENTS

Staff members have been in discussions with Carol Wirth of WI Public Finance Professional LLC to coordinate the refunding of these Taxable Note Anticipation Notes, dated July 2, 2018.

ACTION REQUESTED

Motion to recommend the Common Council approve Res. No. 110-18-19 by Alderpersons Rindfleisch and Bohren.

ATTACHMENTS:

- I. Res. No. 110-18-19

III

5.4

Res. No. 110 - 18 - 19. By Alderperson Rindfleisch. October 15, 2018.

RESOLUTION AWARDING THE SALE OF \$5,100,000 GENERAL OBLIGATION REFUNDING BONDS.

WHEREAS, on October 1, 2018, 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 general obligation refunding bonds for the public purpose of refunding certain outstanding obligations of the City, to wit: a portion of the Taxable Note Anticipation Notes, dated July 2, 2018 (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 on their maturity date for the purpose of providing permanent financing for the projects financed by the Refunded Obligations;

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Wisconsin Public Finance Professionals, LLC ("WFPF") to take the steps necessary to sell general obligation refunding bonds designated "General Obligation Refunding Bonds" (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 November 5, 2018;

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 November 5, 2018;

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

* Preliminary, subject to change.

Finance
Personnel

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 FIVE MILLION ONE HUNDRED THOUSAND DOLLARS (\$5,100,000)* 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 Refunding Bonds"; shall be issued in the aggregate principal amount of \$5,100,000*; shall be dated December 5, 2018; 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, 2019. 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

*Preliminary, subject to change.

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, 2029 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2028 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 2018 through 2037 for payments due in the years 2019 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 Refunding Bonds, dated December 5, 2018" (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. 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.

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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.



I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 2018.

Dated _____, 20____, _____, City Clerk

Approved _____, 20____, _____, Mayor

EXHIBIT A

Official Notice of Sale

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

(See Attached)

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EXHIBIT B

Bid Tabulation

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

(See Attached)

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EXHIBIT C

Winning Bid

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

(See Attached)

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EXHIBIT D-1

Pricing Summary

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

(See Attached)

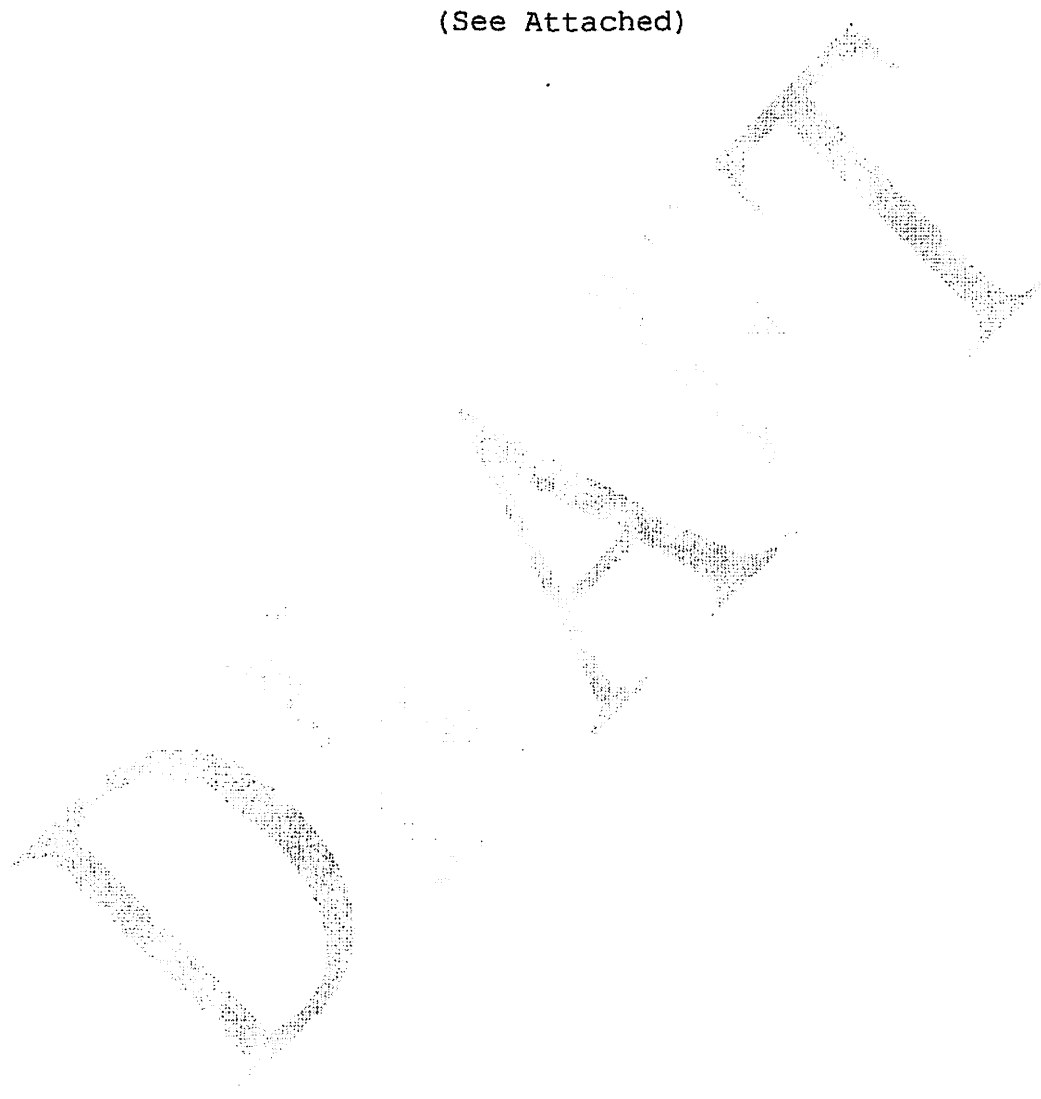


EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

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

(See Attached)

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EXHIBIT E
(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
SHEBOYGAN COUNTY
NO. R- _____ CITY OF SHEBOYGAN \$ _____
GENERAL OBLIGATION REFUNDING BOND

MATURITY DATE: ORIGINAL DATE OF INTEREST RATE: CUSIP:
ISSUE:
December 1, _____ December 5, 2018 _____ % _____

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, 2019 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 \$5,100,000, 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 purpose of refunding certain obligations of the City, as authorized by a resolution adopted on November 5, 2018. Said resolution is recorded in the official minutes of the Common Council for said date.

The Bonds maturing on December 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2028 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 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 (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

ITEM DESCRIPTION: Res. No. 108-18-19 by Alderpersons Rindfleisch and Bohren authorizing the contract extension between Grota Appraisals, LLC and the City of Sheboygan.

REPORT PREPARED BY: Darrell Hofland, City Administrator

REPORT DATE: October 2, 2018

MEETING DATE: October 22, 2018

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

BACKGROUND / ANALYSIS:

Since 2016, Grota Appraisals, LLC has provided appraisal services to the City of Sheboygan on a contract basis. The original contract was from 2016 – 2018. Per the contract, Grota Appraisals, LLC utilizes a professional version of Market Drive PC assessment software to perform annual assessment functions and assign uniform and equitable assessments for all properties in the city. The city incurs no additional fees or expenses to use or maintain this version of the software and derives all benefits provided by the program. Per the contract, Grota Appraisals, LLC provides property information for display to the general public using the AssessorData.Org website.

STAFF COMMENTS:

City staff met with Grota Appraisals, LLC during the summer months to review and discuss the terms of a one year contract extension for the 2019 calendar year. The annual fee for service for 2019 due to Grota Appraisals, LLC is \$276,210. Coordination of the Assessor's Office, managed by Grota Appraisals, LLC staff is facilitated by the Finance Department.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 108-18-19 authorizing the contract extension between Grota Appraisals, LLC and the City of Sheboygan for 2019 assessment services.

ATTACHMENTS:

- I. Res. No. 108-18-19

III

5.5

Res. No. 108 - 18 - 19. By Alderpersons Bohren and Rindfleisch.
October 15, 2018.

A RESOLUTION authorizing the Contract Extension by and between Grota Appraisals, LLC (Assessor) and the City of Sheboygan, Sheboygan County, Wisconsin (City).

RESOLVED: That the City of Sheboygan hereby agrees to extend the same terms and conditions of the 2016 - 2018 assessment contract for the calendar year 2019. The annual fee for service for 2019 due to Grota Appraisals, LLC is \$276,210.

WHEREAS: As a result of this Contract Extension, Grota Appraisals, LLC agrees to continue use of the professional version of Market Drive PC assessment software to continue performance of annual assessment functions and assign uniform and equitable assessments for all properties in the City.

WHEREAS: The City incurs no additional fees or expenses to use or maintain this version of the software and derives all benefits provided by the program and Grota Appraisals, LLC provides property information for display to the general public using AssessorData.Org website.

BE IT FURTHER RESOLVED: That the Mayor and City Clerk are hereby authorized to sign all necessary documents on behalf of the City of Sheboygan to validate this Contract Extension.

Finances
Personnel

James A Bohren
James A Bohren

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

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Third Quarter Performance Report for the Department of City Development: Planning Division.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: October 17, 2018

MEETING DATE: October 22, 2018

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

BACKGROUND / ANALYSIS:

As part of the annual budgeting process, the department has developed performance benchmarks to track progress of the department's activities.

STAFF COMMENTS:

The Planning and Development staff of four continues to work on a number of initiatives including AARP livability, neighborhood revitalization activities including Rock the Block, economic development, marketing and promotion the new SouthPointe Enterprise Campus, bike share, downtown pop-up shops and others.

ACTION REQUESTED:

For discussion purposes only.

ATTACHMENTS:

- I. Quarterly Performance Report for July 1, 2018 – September 30, 2018.



QUARTERLY PERFORMANCE REPORT
DEPARTMENT OF CITY DEVELOPMENT: PLANNING & DEVELOPMENT
Second Quarter of Fiscal Year 2018 – July 1, 2018 – September 30, 2018

This report covers the third quarter of fiscal year 2018 and provides a progress update toward achieving the performance measures in the annual budget book.

For more information about this report, contact Chad Pelishek, Director of Planning and Development at (920) 459-3383.

Planning and Development Division

	2016 Actual	2017 YTD	2017 Actual	2018 YTD	2018 Goals
# Existing businesses assisted	N/A	27	79	22	40
# Start-up businesses assisted	N/A	12	80	18	20
# of commission applications approved	126	24	129	63	125
# of comprehensive plan/ordinance amendments adopted	7	2	7	4	10
# of special projects	21	9	22	26	10
# of sign permits issued	109	43	107	104	100
# of Neighborhood Development Plans completed	N/A	0	N/A	1	3
# of new neighborhood associations	N/A	0	N/A	3	3
Coordinate programming at Arts/Culture Plaza	N/A	N/A	N/A	1	1
Coordinate new development of city owned sites	N/A	1	1	0.50	1
Construction of new hotel	N/A	1	1	0	1
Construct new business park	N/A	N/A	N/A	0.75	1

Redevelopment Authority Fund

	<u>2016 Actual</u>	<u>2017 YTD</u>	<u>2017 Actual</u>	<u>2018 YTD</u>	<u>2018 Goals</u>
Redevelopment of existing properties	N/A	5	N/A	0	1
# of new ground leases negotiated	N/A	0	3	1	1

Business Revolving Loan Fund

	<u>2016 Actual</u>	<u>2017 YTD</u>	<u>2017 Actual</u>	<u>2018 YTD</u>	<u>2018 Goals</u>
Loan funds available (as of December 31)	N/A	\$717,875	\$1,760,257	\$1,760,257	\$261,809
Outstanding Loan Amount (as of December 31)	N/A	\$3,755,165	\$3,097,105	\$3,097,105	\$3,755,165
Number of new loans	8	0	1	1	2
Number of new jobs created	93	0	3	29	10

Housing Revolving Loan Fund

	<u>2016 Actual</u>	<u>2017 YTD</u>	<u>2017 Actual</u>	<u>2018 YTD</u>	<u>2018 Goals</u>
Loan funds available (as of December 31)	N/A	\$518,065	\$611,790	\$611,790	\$180,000
Outstanding Loan Amount (as of December 31)	N/A	\$2,890,000	\$3,240,539	\$3,240,539	\$2,850,000
Number of new loans	8	1	6	4	8

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Benchmark measurements for Office of the City Administrator for the period commencing July 1, 2018 and ending September 30, 2018

REPORT PREPARED BY: Darrell Hofland, City Administrator

REPORT DATE: October 10, 2018

MEETING DATE: October 22, 2018

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

BACKGROUND / ANALYSIS:

This report includes the third quarter 2018 Benchmark measurements for the Office of the City Administrator reflecting the performance for the period commencing July 1, 2018 and ending September 30, 2018.

STAFF COMMENTS:

The following information indicates the Benchmark measurements established for the Office of the City Administrator relative to the third quarter of the calendar year 2018. These Benchmarks were created as a result of the 2017 – 2021 Strategic Plan, specifically providing support to the appropriate Focus Areas outlined within the Strategic Plan.

Measurements	2016 Actual	2017 YTD	2017 Actual	2018 YTD	2018 Goals
Effectiveness					
Resident satisfaction rating with service efficiency	91%	N/A	87%	91%	80%
Resident satisfaction rating with communication	87%	N/A	97%	87%	80%
Resident satisfaction rating with city performance	93%	N/A	94%	95%	80%
GFOA Budget Award	N/A	Yes	Yes	Yes	Yes
ICMA CPM Award	N/A	Yes	Yes	Yes	Yes
GFOA PAFR Award	N/A	N/A	No	N/A	Yes
Number of Strategic Plan quarterly updates	N/A	3	4	3	4

ACTION REQUESTED:

For informational purposes only.

ATTACHMENTS:

None

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Benchmark Measurements for the Human Resources Department for the period of January 1, 2018 and ending September 30, 2018.

REPORT PREPARED BY: Sandy Rohrick, Director of Human Resources and Labor Relations

REPORT DATE: October 18, 2018

MEETING DATE: October 22, 2018

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

BACKGROUND / ANALYSIS:

The objective of the report is to keep the Finance and Personnel Committee updated on the status of benefit programs and costs, as well as other necessary communication.

STAFF COMMENTS:

The significant and/or notable highlights will be shared at the meeting, including medical and dental insurance loss ratios and claims paid through September 20, 2018, as well as an update on the wellness program and other benefits.

ACTION REQUESTED:

For informational propose only.

ATTACHMENTS:

- I. Human Resources Department Third Quarter 2018 Benchmark Review

