

*****ATTACHMENTS*****

II

3.3

R. O. No. 132 - 20 - 21. By CITY CLERK. February 1, 2021.

Submitting a Summons and Complaint in the matter of Roswitha T. Both vs. City Plan Commission of the City of Sheboygan.

CITY CLERK

F&P

FILED

JAN 21 2021 10:14
Sheboygan County

Clerk of Circuit Court
2021CV000015
Honorable Rebecca L. Persick
Branch 4

STATE OF WISCONSIN CIRCUIT COURT SHEBOYGAN COUNTY

For Official Use

ROSWITHA T. BOTH,
W233 N3044A Oakmont Court
Pewaukee, WI 53072,

Plaintiff,

SUMMONS

vs.

Case Class: Complaint for Writ of Certiorari
Case No.
Case Code: 30955

CITY PLAN COMMISSION
OF THE CITY OF SHEBOYGAN,
City Hall
828 Center Avenue, Suite 208
Sheboygan, WI 53081,

Defendant.

Original Process Served
Sheboygan, WI 53083
City Plan Commission
of the City of Sheboygan
Melissa Cleverger
Deputy Clerk
1-21-21 10:05 AM
May J. Hill

To: Defendant:
CITY PLAN COMMISSION
OF THE CITY OF SHEBOYGAN,
City Hall
828 Center Avenue, Suite 208
Sheboygan, WI 53081,

You are hereby notified that the Plaintiff named above has filed a lawsuit or other legal action against you. The Complaint, which is attached, states the nature and basis of the legal action.

Within 20 days of receiving this Summons, you must respond with a written Answer, as that term is used in Chapter 802 of the Wisconsin Statutes, to the Complaint. The Court may reject or disregard an Answer that does not follow the requirements of the statutes. The Answer must be sent or delivered to the Court, whose address is: 615 N 6th St, Sheboygan, WI 53081,

and to Plaintiff's Attorney, whose address is below. You may have an attorney help or represent you.

If you do not provide a proper Answer within 20 days, the Court may grant judgment against you according to the demands of the Complaint, and you may lose your right to object to anything that is or may be incorrect in the Complaint. A judgment may be enforced as provided by law. A judgment awarding money may become a lien against any real estate you own now or in the future, and may also be enforced by garnishment or seizure of property.

Dated this 14th day of January, 2021.

Electronically signed by
Kathleen Henry
WI State Bar No. 1118591
Dairyland Public Interest Law
PO Box 352
Madison, WI 53701
(608) 213-6857
khenry@dairylandpublicinterestlaw.com

Attorney for Plaintiff

FILED
01-14-2021
Sheboygan County
Clerk of Circuit Court
For ~~2021CV000015~~
Honorable Rebecca L.
Persick
Branch 4

STATE OF WISCONSIN CIRCUIT COURT SHEBOYGAN COUNTY

ROSWITHA T. BOTH,
W233 N3044A Oakmont Court
Pewaukee, WI 53072,

Plaintiff,

vs.

Case No.
Case Code: 30955

CITY PLAN COMMISSION
OF THE CITY OF SHEBOYGAN,
City Hall
828 Center Avenue, Suite 208
Sheboygan, WI 53081,

Defendant.

COMPLAINT FOR WRIT OF CERTIORARI

Comes now Roswitha T. Both, and for her Complaint states as follows.

PARTIES

1. Plaintiff Roswitha T. Both ("Both") resides at W233 N3044A Oakmont Court, Pewaukee, WI 53072.
2. Both is a birdwatcher and enjoys birdwatching as well as recreating in Kohler-Andrae State Park.
3. Both is involved with an environmental organization that focuses on the Black River and Lake Michigan in Sheboygan, and seeks to preserve them from further environmental degradation.
4. Both spends a significant amount of volunteer time working on the preservation of the environment and on fighting climate change.

5. If the Project is built, Both believes that climate-change causing pollutants will increase due to the loss of heavily forested old-growth trees on the Kohler property.
6. If the Project is built, Both believes that the migratory and resident birds will suffer as they lose valuable habitat.
7. Both believes that the construction of a golf course on several acres of the Park and on 250-acres of the adjoining wooded area will make her significantly less able to enjoy her visits to the Park.
8. Both believes that water quality of Lake Michigan, the Black River, and groundwater, will suffer due to the deforestation of the Property, the erosion that will result from the Project, and the chemicals used on maintaining a large golf course.
9. Both is also concerned about the endangered species which are found in the Property and their impending loss of habitat.
10. If the Project is completed, Both will be harmed because she will lose the views of the woodlands next to the Park and suffer from knowledge of the increased carbon-causing pollutants caused by the loss of so many acres of mature trees.
11. Both will be harmed by knowing that many species, including threatened and endangered species, were detrimentally impacted by the deforestation of the Property.
12. She will be harmed by watching the detrimental impact of the golf course on erosion of Lake Michigan and knowing the water quality of the Lake, Black River and adjoining groundwater will be detrimentally impacted by the golf course.
13. The impacts to Both are direct and substantial and different from those of the general public.
14. Both is an aggrieved party as contemplated by Wis. Stat. § 62.23(7)(e)10.

15. The City Plan Commission of the City of Sheboygan (“Commission”) is a zoning agency created under Wis. Stat. §§ 62.23, with principal offices at City Hall, 828 Center Avenue, Suite 208, Sheboygan, WI 53081.

JURISDICTION

16. This Court may have jurisdiction over the subject matter of this action pursuant to Wis. Stat. § 62.23(7)(e)(10); however, plaintiff finds no statute authorizing review of the grant of a conditional use permit by a Plan Committee when the CUP has not first been affirmed by either a Common Council or Zoning Board of Appeals.

VENUE

17. Venue is proper in this Court pursuant to Wis. Stat. § 801.50(2)(2) because the claim arose in Sheboygan County.

BACKGROUND

18. On November 20, 2020, Kohler Company (“Kohler”), submitted its application for a conditional use permit (“CUP”) to the City of Sheboygan.

19. Kohler seeks a CUP to develop an 18-hole championship golf course (“the Project”) on 250 acres of land that Kohler owns that are zoned Property Suburban Residential-5 (“SR-5”).

20. Kohler requests the City to allow in this SR-5 district an outdoor institutional land use, a privately-owned public golf course, removal of more than 50% of woodlands on the Property, a pond, a multi-level club house with banquet facilities with a first floor of 8,800 square feet floor, a Lake Michigan observatory tower, parking lots providing more than 210 spaces, a 15,000 square-foot maintenance building and a smaller maintenance building, and storage buildings.

21. The Property is located between the Black River and Lake Michigan, north and east of the John Michael Kohler and Terry Andrae State Parks in the City of Sheboygan, Sheboygan County, Wisconsin.

22. Kohler acquired a total of approximately 468 acres in the vicinity during the 1930's. In 1965, Kohler donated 221 acres to the State of Wisconsin for the creation of the John Michael Kohler State Park. The remaining 250-acre parcel retained by Kohler has remained in private ownership.

23. The Project is proposed on a vast, undeveloped tract between Lake Michigan and the Black River. The Property is almost entirely forested with mature trees. The Property has not been logged in over 150 years.

24. The Property contains three types of high-quality wetlands which are directly connected to the groundwater: Great Lakes ridge and swale, interdunal, and forest floodplain.

25. The Property is also an important stopover point for migratory birds, due to the paucity of unfragmented forest blocks elsewhere along the Lake Michigan shoreline.

26. The Property also has a large number of a diverse population of resident birds.

27. On December 15, 2020, the Plan Commission held a public meeting on the CUP.

28. The official Minutes of the Meeting do not state how many people spoke in favor and in opposition to the Project.

29. The Minutes state that the Motion to Approve the CUP passed but do not state how many Commission members voted for and against it.

30. The Minutes do not contain statements by the Commissioners explaining their decisions.

31. Citizens opposed to the project were informed by City officials that the only avenue for appealing the Plan Commission decision was by filing suit in circuit court and that the City of Sheboygan Common Council and Zoning Board of Appeals would not accept an appeal.

32. Plaintiff files this Complaint to the Circuit Court within thirty days of the Plan Commission decision as is required by Wis. Stat. § 62.23(7)(e)(10) for review of Zoning Board of Appeals and Common Council decisions, but plaintiff argues that this matter should be reviewed by a City body before going to Circuit Court as required by relevant statutes and ordinances.

CLAIM I

THE CONDITIONAL USE PERMIT IS VOID BECAUSE THE PLAN COMMISSION LACKED AUTHORITY TO TAKE FINAL ACTION ON GRANTING A CONDITIONAL USE PERMIT AS REQUIRED BY WIS. STAT. SECTION 62.23

33. Plaintiff realleges and incorporates by reference all preceding paragraphs.

34. Wis. Stat. § 62.23(7)(am) states the following: “For the purpose of promoting health, safety, morals or the general welfare of the community, the *council* may regulate and restrict... the location and use of buildings, structures and land...” (emphasis added).

35. This shows that the Common Council is the governmental body that may enact zoning changes.

36. Wis. Stat. § 62.23(5) states: “MATTERS REFERRED TO CITY PLAN COMMISSION. The *council, or other public body* or officer of the city *having final authority* thereon, shall refer to the city plan commission, for its consideration and report before final action is taken by the council, public body or officer, the following matters...” (emphasis added).

37. The City Plan Commission is not the body with final authority.

38. Wis. Stat. § 62.23(7)(e) allows for a Board of Appeals to make final decisions on some zoning matters.

39. The statute does not grant the same authority to the Plan Commission.

40. This Court should reverse the decision of the Plan Commission and find the CUP void because it was not granted by a body with proper authority to make the decision final.

CLAIM II

THE CONDITIONAL USE PERMIT IS VOID BECAUSE THE PLAN COMMISSION'S DECISION WAS ARBITRARY AND CAPRICIOUS AND NOT IN FURTHERANCE OF THE HEALTH, SAFETY, AND WELFARE OF THE PUBLIC IN VIOLATION OF WIS. STAT. SECTION 62.23

41. Plaintiff realleges and incorporates by reference all preceding paragraphs.
42. Wis. Stat. § 62.23(7)(am) requires the Council to promote the health, safety and welfare of the community.
43. The Project area contains over 170 acres of woodlands.
44. The developer will clear cut more than 85 acres of those woodlands.
45. Although the developer plans to plant some trees as mitigation, the planting of new trees will not make up for the terrible impacts the loss of 85 acres of mature trees will have on climate change, bird and wildlife habitat, and wetlands.
46. The destruction of so many acres of woodlands is not in furtherance of the public health.
47. Maintenance of a golf course requires pesticides, herbicides, and chemical agents.
48. These pollutants will seep into the groundwater and into the Black River and Lake Michigan.
49. The addition of pollutants into these bodies of water is not in furtherance of the public welfare and safety.
50. The Plan Commission acted arbitrarily and capriciously in granting the CUP.
51. This Court should reverse the decision of the Plan Commission and find the CUP void.

CLAIM III**THE CONDITIONAL USE PERMIT IS VOID IN THAT THE MUNICIPALITY HAD CONTRACTED AWAY ITS RIGHT TO DENY THE APPLICATION IN A 2017 PREANNEXATION AND DEVELOPMENT AGREEMENT, MAKING THE DECEMBER 15, 2020, HEARING A SHAM BECAUSE THE OUTCOME WAS PREDETERMINED**

52. Plaintiff realleges and incorporates by reference all preceding paragraphs.
53. Wisconsin courts firmly hold that a municipality may not contract away its zoning authority. *State ex rel. Zupancic v. Schimenc*, 46 Wis. 2d 22, 28, 174 N.W.2d 533 (1970); *Town of Cedarburg v. Shewczyk*, 259 Wis.2d 818, 829-30, 656 N.W.2d 491 (Ct. App. 2002).
54. But the City of Sheboygan did just that when it signed a Preannexation and Development Agreement in 2017, stating that, “the City intends to grant various government approvals benefiting Developer...Necessary governmental approvals include...conditional use permits.” Kohler CUP Application, p. 78.
55. It is highly conceivable that city officials have been advised that if they say “no” to anything Kohler asks, the officials will subject the City to litigation by Kohler.
56. This CUP is based on the City illegally contracting away its zoning authority to a private entity in 2017.
57. The 2017 Agreement also is an illegal attempt to bind future governmental bodies.
58. In 2017, the City illegally abdicated its duty to protect the health, safety and welfare of the public.
59. Therefore, the CUP is void and this Court should reverse the decision of the Plan Commission.

CLAIM IV**THE CONDITIONAL USE PERMIT IS VOID IN THAT THE APPLICANT FAILED TO DEMONSTRATE THAT CLEAR CUTTING WILL IMPROVE THE LEVEL OF ENVIRONMENTAL PROTECTION ON THE SUBJECT PROPERTY IN VIOLATION OF CITY OF SHEBOYGAN ZONING ORDINANCE 15.206(2)(g)(3)(a)**

60. Plaintiff realleges and incorporates by reference all preceding paragraphs.
61. Sheb. Ord. § 15.206(2)(g)(3)(a), the ordinance concerning conditional uses for clear cutting, requires the applicant to “demonstrate that clear cutting will improve the level of environmental protection on the subject property.”
62. Kohler has not demonstrated that the proposed deforestation will improve the level of environmental protection on the property.
63. There will be a substantial loss of carbon capturing trees, bird habitat, erosion control, and water quality and wetlands.
64. The planting of new trees in other places will not make up for these tremendous losses.
65. Since the applicant has not complied with the Ordinance, the CUP is void and this Court should reverse the decision of the Plan Commission.

CLAIM V

THE CONDITIONAL USE PERMIT IS VOID IN THAT THIS APPLICATION FOR A CUP WAS PLACED ON THE AGENDA WHEN THE APPLICATION WAS INCOMPLETE IN VIOLATION OF CITY OF SHEBOYGAN ORDINANCE SECTION 15.905(3).

66. Plaintiff realleges and incorporates by reference all preceding paragraphs.
67. City Sheb. Ord. § 15.905(3) requires that: “All applications for proposed conditional uses shall be approved as completed by the Zoning Administrator prior to the initiation of this procedure. No placement of the application on any agenda, as an item to be acted upon, shall occur unless said certification has occurred.”
68. The Kohler CUP was placed on the agenda when it was incomplete in violation of this Ordinance.
69. The CUP application was incomplete in that it lacked an accurate map of the property depicting the land that falls within overlay districts.

70. The Application does not accurately identify where the Lake Michigan ordinary high-water mark ("OHWM") falls on the Property.

71. Without accurate identification of the OHWM, it is impossible to state the extent that the golf course will contribute to further erosion of the shoreline of Lake Michigan.

72. Therefore, the CUP is void and this court should reverse the decision of the Plan Commission.

WHEREFORE, plaintiff respectfully requests that this Court:

A. Grant to the Plaintiff a Writ of Certiorari and issue an Order to the Plan Commission to certify to the Court, at a specified time and place, the full record before the Plan Commission;

B. Following the certification and transmission of the Record by defendant, set this matter for hearing;

C. Reverse the decision of the Plan Commission for any of the reasons stated above;

D. Declare the CUP void for any of the reasons stated above;

E. Award costs and reasonable attorney fees to plaintiff; and

F. Grant such further relief as the Court deems just and equitable.

Dated this 14th day of January, 2021.

Electronically signed by
Kathleen Henry
WI State Bar No. 1118591
Dairyland Public Interest Law
PO Box 352
Madison, WI 53701
(608) 213-6857
khenry@dairylandpublicinterestlaw.com

Attorney for Plaintiff

STATE OF WISCONSIN**CIRCUIT COURT****SHEBOYGAN**Roswitha T Both vs. City Plan Commission of the City of
Sheboygan**Electronic Filing
Notice**

Case No. 2021CV000015

Class Code: Petition for Writ of Certiorari

FILED

01-14-2021

Sheboygan County

Clerk of Circuit Court

2021CV000015

Honorable Rebecca L.

Persick

Branch 4

CITY PLAN COMMISSION OF THE CITY OF SHEBOYGAN
828 CENTER AVENUE, SUITE 208
SHEBOYGAN WI 53081

Case number 2021CV000015 was electronically filed with/converted by the Sheboygan County Circuit Court office. The electronic filing system is designed to allow for fast, reliable exchange of documents in court cases.

Parties who register as electronic parties can file, receive and view documents online through the court electronic filing website. A document filed electronically has the same legal effect as a document filed by traditional means. Electronic parties are responsible for serving non-electronic parties by traditional means.

You may also register as an electronic party by following the instructions found at <http://efiling.wicourts.gov/> and may withdraw as an electronic party at any time. There is a \$20.00 fee to register as an electronic party.

If you are not represented by an attorney and would like to register an electronic party, you will need to enter the following code on the eFiling website while opting in as an electronic party.

Pro Se opt-in code: ba5ece

Unless you register as an electronic party, you will be served with traditional paper documents by other parties and by the court. You must file and serve traditional paper documents.

Registration is available to attorneys, self-represented individuals, and filing agents who are authorized under Wis. Stat. 799.06(2). A user must register as an individual, not as a law firm, agency, corporation, or other group. Non-attorney individuals representing the interests of a business, such as garnishees, must file by traditional means or through an attorney or filing agent. More information about who may participate in electronic filing is found on the court website.

If you have questions regarding this notice, please contact the Clerk of Circuit Court at 920-459-3068.

Sheboygan County Circuit Court
Date: January 15, 2021

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: R.O. No. 144-20-21 accepting the 2021 Long Term Financial Plan.

REPORT PREPARED BY: Todd Wolf, City Administrator

REPORT DATE: February 12, 2021

MEETING DATE: February 22, 2021

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 recognizes a long term financial plan will be a valuable tool combining financial forecasting with the Strategic Plan. The process analyzes future scenarios to assist in the navigation of fiscal challenges. The Long Term Financial Plan forecasts projected revenue and expenses using assumptions about economic conditions and future spending to align with long term objectives.

STAFF COMMENTS:

Governments utilize a comprehensive long term financial plan to stimulate discussion and engender a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges while it stimulates long term strategic thinking. In addition, it can give consensus on long term financial direction and is a useful tool for communications with internal and external stakeholders.

Attached is an update to the Long Term Financial Plan which was approved by the Common Council in February, 2020.

ACTION REQUESTED:

Motion to recommend the Common Council receive R.O. No. 144-20-21 and adopt the recommendation by the City Administrator accepting the 2021 Long Term Financial Plan.

ATTACHMENTS:

- I. R.O. No. 144-19-20.

II

3.8

R. O. No. 144 - 20 - 21. By CITY ADMINISTRATOR. February 15, 2021.

Submitting the City of Sheboygan 2021 Long Term Financial Plan to the Common Council.

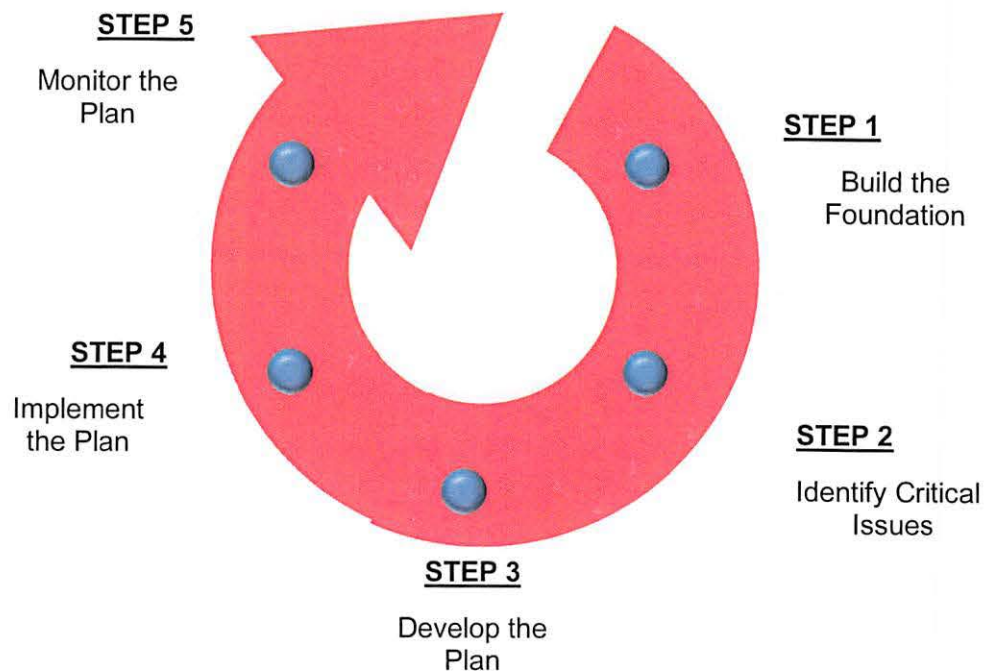
FHP

City Administrator

LONG TERM FINANCIAL PLAN AND FISCAL POLICIES

The LTFP is a financial strategic plan

The City of Sheboygan, at the Common Council direction, annually prepares a comprehensive Long Term Financial Plan (LTFP), consistent with the City's Strategic Plan, and its Core Value of Stewardship, and its Focus Area of Governing and Fiscal Management. The LTFP is intended to serve as a tool, providing Common Council and the public with the insight required to address issues impacting the City's financial condition.



Long Term Financial Plan Process

Financial strategies have been identified to contribute to the five financial goals.

Ensure adequate funding: obtain adequate funding from multiple sources for requirements related to day-to-day operating commitments, capital equipment life cycle and infrastructure needs, as well as managing growth and development. This would encompass a balanced approach between understanding the timing and nature of operating expenditures to ensure they are matched with reliable and stable funding sources and capital funding related to infrastructure needs and maintaining capital assets. This strategy includes identifying costs and maintaining or increasing funding from existing and new revenue sources.

Achieving diverse sources of funding: identify actions related to alternative and innovative funding sources that will help the

City respond to the pressures of growth and redevelopment and reduce the reliance on property taxes. Property taxes, user fees and intergovernmental revenue are the traditional inelastic revenue sources used to meet expenditure requirements that are continually under upward pressure which can place stress on the city's financial position.

Managing expenditures: containing costs in order to limit pressure on revenue requirements maintain market competitiveness and/or reserve capacity to maintain service levels. This can be accomplished by increasing efficiencies in service delivery, setting spending priorities to ensure the most important areas are funded, and positioning the City as an efficient provider of services and infrastructure.

Providing for contingencies: prepare the City to manage risk and to be resilient when dealing with unforeseen circumstances while limiting the impact on services. This can be accomplished by monitoring economic and operational factors and forecasts in order to be able to respond to changing circumstances and ensuring that the City has access to enough funds to meet unforeseen urgent needs and manage risk appropriately.

Using debt strategically: providing capital funding flexibility by allowing infrastructure to be built and used before sufficient revenue has accumulated to offset needed investment. This can be accomplished by managing the level of debt and strategically making essential assets available as well as examining a wider range of debt financing instruments.

Operating with foresight: considering the current and future impacts of decisions on services and infrastructure. This includes maintaining or extending existing practices regarding a long-term approach in decision making.

Maintaining sufficient cash flow: allowing the City to pay the costs of supplying services and infrastructure throughout the year to match expenditure requirements, including debt service.

Promoting and enabling integration of priorities and resources: identifying and encouraging awareness of the financial implications of policy making and decision making on the city's financial position. This can be accomplished by linking needs and actions to resources, responsibilities and timeliness among stakeholders, promoting greater efficiency by reducing duplication of effort or working at cross purposes and managing growth and development.

***The Long Term Financial
Plan process***

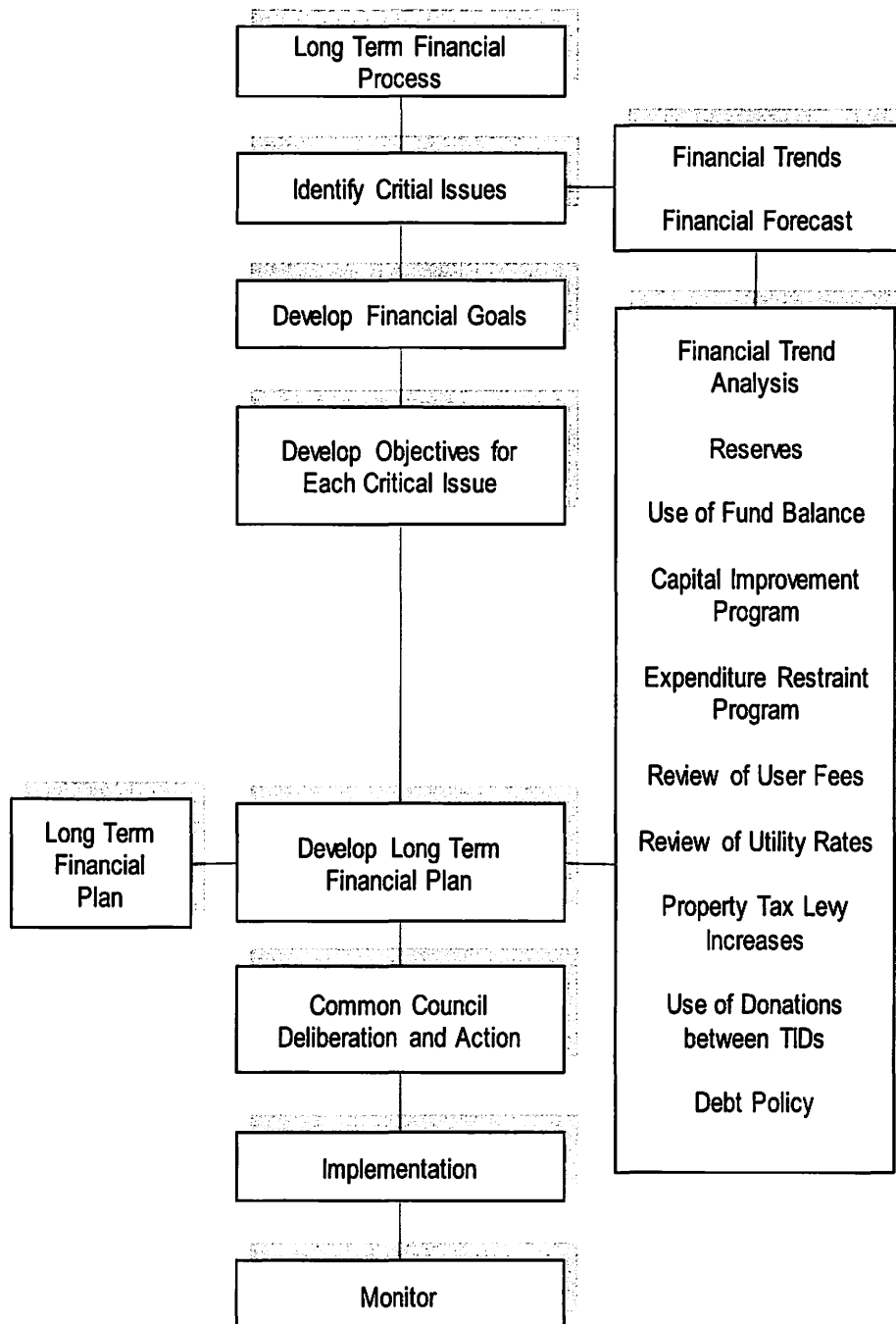
The City's LTFP begins by identifying several critical areas which have, or are expected to have, an impact on the financial condition of the City over the next five years. Once the critical issues are identified, specific goals and objectives are developed for each project designed to meet the overall goal of the project.

To provide a clear and concise Long Term Financial Plan, identifying the City's current and projected financial condition, and proposing specific alternatives to address identified problems.

The Management Team is responsible for keeping the process on track and on schedule. In addition, the Team identifies their goals and objectives are met. The key message expressed to the Management Team is that the LTFP must be clear and concise while providing very specific and practical recommendations.

The LTFP is presented in detail to the Common Council. The Finance and Personnel Committee reviewed the initial proposal in February, 2021. The next section contains the schedule followed by the Common Council as they develop or update an action plan that the City will implement as a part of the annual budget process:

The chart on the following page graphically depicts the process involved in developing the city's LTFP. This project is largely conducted by the City's Management Team.



Schedule

February or March: LTFP provided to the Finance and Personnel Committee.

March or April: Public input and Common Council adoption

The LTFP represents elements of the city's Fiscal Policy.

The LTFP for the City of Sheboygan represents the ongoing commitment to implement its Strategic Plan core value Stewardship, and focus area of Governing and Fiscal Management. On an annual basis, the LTFP has been incorporated into the development, deliberation and approval of the Annual Program Budget. The plan is intended to be a well

thought-out analysis of the issues that may affect the finances of the City of Sheboygan.

Trends & Forecast are the foundation of the LTFP

The LTFP uses financial trends and forecasts to identify future financial challenges and opportunities, and then identifies strategies to secure financial sustainability within these same challenges and opportunities. The trends and forecast must identify how, from a financial perspective, the City will provide a consistent level of public services and also addresses special issues of concern to the community.

Financial Sustainability

Funding sufficiency: having sufficient resources to support the delivery of services. This goal not only refers to the amount of funding but also to the consistency in funding level changes relative to changes in expenditures and the diversity of funding sources.

Integration: ensuring that the financial constraints under which the City operates are fully considered when engaged in policy-making and decision-making.

Credibility: achieving financial performance in a way that maintains public confidence in the City's ability to provide services and infrastructure at expected levels. Financial decisions should be consistent with the overall goal of financial sustainability. Services must be valuable to residents and the benefits provided must be perceived that the services are in proportion to the taxes and fees paid.

Input from Multi-Year City Plans

Common Council-approved multi-year Capital Improvements Program is included in the Long Term Financial Plan as it will impact the finances of the City over the next five years.

From a fiscal perspective, the City's financial picture is positive. The General Fund's fund balance exceeds the City's policy of a minimum 25 percent of expenditures, largely due to significant expenditure savings experienced over the last few years.

Overall, the City is in excellent financial shape and should be able to accommodate the expenditure growth that is anticipated over the next ten years.

State of Wisconsin restrictions on local governments

External factors imposed by the State of Wisconsin have played a key role in shaping the City's financial picture. These factors include restrictions on property tax levy increases and restrictions on new or increase in existing user fees without corresponding reductions in property tax level.

Several City funds are tied directly to development and consequently, are expanding. The active Tax Incremental Districts (TIDs) all have a positive financial outlook, as the increment is sufficient to meet obligations, or serve to donate

funds to other districts. The City also has capacity to develop additional TIDs within the 12 percent capacity limit established by the WI Department of Revenue.

The LTFP provides a framework from which the Common Council and City staff can frame future financial decisions.

As outlined in the 2021 Annual Program Budget, the recommendations from the City's multi-year plans are included in the LTFP as they impact the finances of the City. All of the plans were utilized in LTFP analysis of the General Fund, tax levy and TID's. The fiscal related issues include:

- *Financial Trend Analysis* - All operating position and debt indicators were favorable.
- *Reserves* - The General Fund target is maintaining a minimum of 25 percent uncommitted fund balance. The LTFP indicates that a 25 percent uncommitted fund balance is attainable through the ten year period.
- *Use of Fund Balance as a revenue source* – The City policy restricts the amount of undesignated fund balance for the General Fund that is applied to the budget for the ensuing year shall not reduce the undesignated fund balance below an amount equal to 25 percent of the ensuing year's General Fund expenditures.
- *Capital Improvements Program* – The Five Year Capital Improvements Program includes requests from all City departments for assets and infrastructure improvements, including TIDs. The Five Year Capital Improvements Program is funded from tax levy, debt issuance, contributions and federal, state and local grant funding.
- *Expenditure Restraint Program* – The analysis presumes the City will remain eligible for this State of Wisconsin program which rewards operating (funds affected by the tax levy) budgets who budget annually at or below inflation plus a percentage of net new construction. The LTFP projects expenditures based on projected inflation.
- *Decrease in Utility Aid Revenue* – Utility Aid revenue received from the State of Wisconsin is diminishing resulting from the closure of power plants located within City limits.
- *Review of User Fees* – The City's Management Team reviews existing fees for consideration of increases annually.
- *Review of Utility User Fee Rates* – Rates are reviewed annually for possible adjustments.
- *Use of Donations between TIDs* – The city has a number of well performing Tax Incremental District (TID) with capacity to donate to other underperforming TIDs.
- *Debt Policy* – This policy establishes parameters for issuing and managing debt. No more than 60 percent of

the State of Wisconsin's limit of 5 percent of equalized value.

A financial projection of the General Fund, Debt Service Fund and tax levy requirements is included in the LTFP. An analysis of the TIDs is conducted annually.

An analysis of General Fund revenues and expenditures as well as the General Fund's fund balance is conducted annually. Based on actual and current budgeted revenues and expenditures as well as annual CPI changes, a five year forecast was developed.

**General Fund
Revenue Assumptions**

Revenue Assumptions:

- Property Tax Levy – Current State limits continue. Tax levy increases for all funds limited to net new construction (floor of zero percent), adjustments to debt service, and additional adjustments due to annexations, transfer of services to/from another municipality, adjustments due to increases of fees for tax levy supported services and amounts approved by referendum. The 2020 levy increased slightly due to a majority of net new construction development occurring in TIDs.
- Intergovernmental Revenue – Current State funding is mostly stable with continuation of transportation aids, expenditure restraint program, and state shared revenue program. The exception is Transportation Aids which will continue to increase based upon the State formula which recognizes the City's increase in transportation-related expenses.
- All Other Revenue – Includes Permits and Licenses, Fines and Forfeitures, Charges for Services, and Miscellaneous Revenue. Construction-related permits are anticipated to be stagnant. All other revenues in this classification anticipated to remain stable.
- Other Financing Sources – Conservatively estimated with slight change or no change.

**General Fund
Expenditures Assumptions**

Expenditure Assumptions

- Personnel Expenditures (Personal Services) - Wages and benefits, including Wisconsin Retirement System (rates determined by the state) and health insurance (self-insured by the City of Sheboygan). A major portion of expenditures are wage related. A two percent wage increase is included in the 2021 budget.
- Non-Personnel Expenditures (Non-Personal Services) – Contracted services, office supplies, utilities, gasoline, liability and property insurance, training and conferences and communication are the main expenses.

Based upon these assumptions, the 2021 General Fund budget will utilize approximately \$6,954,561 in fund balance. Use of this Fund Balance includes purchase and construction of the new Senior Center. Typically due to conservative budget assumptions, little to no actual use of these funds is typically necessary. Regardless, the General Fund budget projects a fund balance which will exceed the fund balance policy of maintaining a minimum of 25 percent.

Tax Levy Revenue

Tax Levy Revenue – Tax levy revenue is the largest revenue source for city services and projects.

Tax levy revenue is collected for the following funds:

- General – Largest tax levy portion is allocated to this fund which is the operating fund of the City. Increases in the property tax allocation are expected to increase slightly.
- Library – Tax levy portion allocated to Mead Public Library Fund will increased in 2021 slightly for the fourth consecutive year.
- Park, Forestry and Open Space – Tax levy funding, which was first allocated in 2017, will continue to be \$110,000 to fund capital items.
- G.O. Debt Service – Tax levy portion allocated to G.O. Debt Service Fund will continue to increase to accommodate the increase in annual debt service payments, which are the result of an enhanced street improvement plan.
- Capital Projects – Tax levy for capital projects has been allocated to the Capital Project Fund, starting with the 2017 Annual Program Budget. In the 2021 budget, the amount allocated remains unchanged.
- Transit – Tax levy portion allocated to the Transit Utility Fund decreased slightly in 2021.

Tax levy limits under current state law may change with future legislation. Changes to the law will require adjustments to future long-range forecasts as necessary. Future limitations could impact the ability of the City to deliver services.

Summary

The LTFP is designed to be a dynamic document that is modified based on current or new conditions. External factors play a key role in determining the financial picture of the City. The external factors include legislation approved by the State of Wisconsin, development and the economy. These factors may impact the financial picture positively or negatively.

The current financial situation reflects a strong financial position, prudent fiscal practices and solid reserves for the funds included on the LTFP.

II

39.

R. O. No. 145 - 20 - 21. By DIRECTOR OF PUBLIC WORKS. February 15, 2021.

Submitting an analysis of the Motor Vehicle Division of the Department of Public Works non-commercial driver's license vehicles (Non- CDL light duty by Enterprise Fleet Management). The analysis describes the current state of the fleet and its limitations, provides alternatives to shorten the life cycle and maximize the equity at the time of resale. In addition, the program will improve operating and capital financials.

F&P
and
PW

Director of Public Works



FLEET MANAGEMENT

PREPARED FOR:



Matt Jaskowiak
FLEET CONSULTANT

(262) 442-2602
PHONE

Matthew.F.Jaskowiak@efleets.com
EMAIL



SUPPORT FLEET SYNOPSIS | City of Sheboygan, WI

THE SITUATION

Current fleet of 59 NON CDL Vehicles

- 64% of the light and medium duty fleet is currently 10 years or older
- 12.3 years is the current average age of the fleet
- 20 years – time it would take to cycle this entire segment of the City's fleet at current acquisition rates
- Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime, higher maintenance costs, and loss of productivity.
- 18 different vehicle types that cover 59 total vehicles

THE OBJECTIVES

Identify an effective vehicle life cycle that maximizes potential equity at time of resale

- Shorten the current average vehicle life cycle from 20 years closer to 3 years
- Provide a lower sustainable fleet cost that is predictable year over year
- Significantly reduce Maintenance by up to an estimated 64%
- Reduce the overall fuel spend through more fuel-efficient vehicles by an estimated 20% while improving the carbon footprint
- Leverage an open-ended lease to maximize cash flow opportunities and recognize equity after sale of vehicles
- Review program with dedicated local account team from Enterprise

Additional Benefits

- Improved Safety and Risk with newer vehicles and up to date safety technology
- Less downtime and more time for City mechanics to focus on larger, more expensive vehicles/equipment/tasks
- Replacing vehicles more frequently offers the best vehicles for the job and most cost-effective options consistently
- Each department will have the perfect vehicle type for the application without having to hand me down

THE RESULTS

By partnering with Enterprise Fleet Management, the City of Sheboygan will be better able to leverage its buying power, implement a tighter controlled resale program to lower total cost of ownership and in turn minimize operational spend. Leveraging an open-ended lease maximizes cash flow and recognizes equity from vehicles sold creating an internal replacement fund. Furthermore, the City of Sheboygan will leverage Enterprise Fleet Management's ability to sell vehicles at an average of 111% above the commercial/Black Book value. By shifting from reactively replacing inoperable vehicles to proactively planning vehicle purchases, the City of Sheboygan will have a much more sustainable and predictable budget moving forward.

Major Financial Findings*:

- The city to save anywhere from **(\$800,000-\$1,000,000)** over the next 10 years **depends on vehicle selection*
 - Includes, selling current vehicles, leasing new vehicles, maintenance savings, and fuel savings
 - The city to show year in and year out, sustainable annual savings anywhere from **(\$40,000 - \$64,000)**
 - Over 10 years, the city should see \$385,000 in hard dollar maintenance savings
 - Over 10 years, the city should see a near \$100,000 fuel savings

** does not include downtime savings from administrative benefits or productivity improvements*

FLEET PROFILE | CITY OF SHEBOYGAN

Fleet Profile

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage
Minivan-Cargo	1	9.2	2,100
Minivan-Passenger	1	13.2	5,800
1/2 Ton Van Cargo	2	17.8	2,500
Mid Size SUV 4x4	1	8.1	9,800
Compact Pickup Reg 4x4	1	13.2	3,700
Compact Pickup Ext 4x4	4	15.3	5,000
Compact Pickup Quad 4x4	2	15.3	4,800
1/2 Ton Pickup Reg 4x2	1	2.0	5,000
1/2 Ton Pickup Reg 4x4	6	2.9	4,800
1/2 Ton Pickup Ext 4x2	1	5.1	3,300
1/2 Ton Pickup Ext 4x4	3	10.8	3,900
1/2 Ton Pickup Quad 4x4	1	9.2	3,700
3/4 Ton Pickup Reg 4x2	11	16.6	4,500
3/4 Ton Pickup Reg 4x4	4	15.3	3,700
3/4 Ton Pickup Ext 4x2	1	12.2	2,000
3/4 Ton Pickup Ext 4x4	2	5.1	4,000
3/4 Ton Pickup Quad 4x4	1	4.1	3,000
1 Ton Cab Chassis	16	13.8	3,000
Totals/Averages	59	12.3	4,000

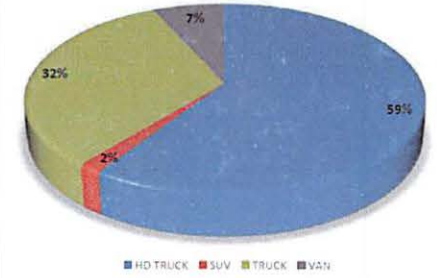
Fleet Replacement Schedule

	2021	2022	2023	2024	2025	Under-Utilized
Minivan-Cargo	1	0	0	0	0	0
Minivan-Passenger	1	0	0	0	0	0
1/2 Ton Van Cargo	2	0	0	0	0	0
Mid Size SUV 4x4	1	0	0	0	0	0
Compact Pickup Reg 4x4	1	0	0	0	0	0
Compact Pickup Ext 4x4	4	0	0	0	0	0
Compact Pickup Quad 4x4	2	0	0	0	0	0
1/2 Ton Pickup Reg 4x2	1	0	0	0	0	0
1/2 Ton Pickup Reg 4x4	6	0	0	0	0	0
1/2 Ton Pickup Ext 4x2	1	0	0	0	0	0
1/2 Ton Pickup Ext 4x4	3	0	0	0	0	0
1/2 Ton Pickup Quad 4x4	1	0	0	0	0	0
3/4 Ton Pickup Reg 4x2	11	0	0	0	0	0
3/4 Ton Pickup Reg 4x4	4	0	0	0	0	0
3/4 Ton Pickup Ext 4x2	1	0	0	0	0	0
3/4 Ton Pickup Ext 4x4	2	0	0	0	0	0
3/4 Ton Pickup Quad 4x4	1	0	0	0	0	0
1 Ton Cab Chassis	16	0	0	0	0	0
Totals/Averages	59	0	0	0	0	0

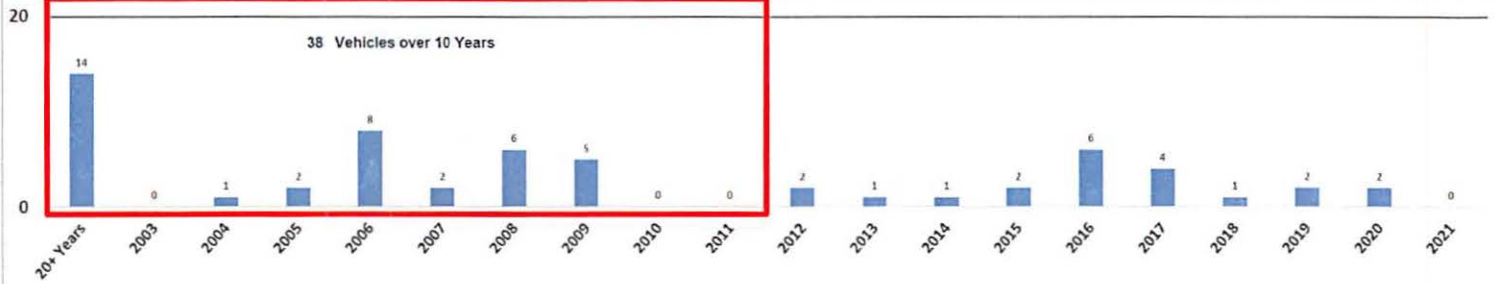
Replacement Criteria

- * Fiscal Year 2021 = 15 years old and older, or odometer over 80,000
- * Fiscal Year 2022 = 8 years old and older, or odometer over 70,000
- * Fiscal Year 2023 = 5 years old and older, or odometer over 50,000
- * Fiscal Year 2024 = 4 years old and older, or odometer over 25,000
- * Fiscal Year 2025 = Remaining Vehicles
- * Underutilized = Annual Mileage less than 1,000

Vehicle Types



Model Year Analysis



Confidential

1/21/2021

enterprise
FLEET MANAGEMENT

CITY OF SHEBOYGAN FLEET LIST

DEPT	VIN	Department	Year	Make	Model	Current Odometer	City Vehicles Current Value	New Vehicle Types
Streets	3B6MC36W21M281260	City of Sheboygan	2001	Dodge	Ram 3500 Chassis	39,179	\$1,000	1 Ton Cab Chassis
Streets	1GBJK34U02E272035	City of Sheboygan	2002	Chevrolet	Silverado 3500 Chassis	46,025	\$1,000	1 Ton Cab Chassis
Streets	1GBJK341X2E107554	City of Sheboygan	2002	Chevrolet	Silverado 3500 Chassis	51,190	\$2,500	1 Ton Cab Chassis
Streets	1FDWF36S31E033263	City of Sheboygan	2001	Ford	F-350 Chassis	55,882	\$500	1 Ton Cab Chassis
Streets	1GBJK34DX6E256711	City of Sheboygan	2006	Chevrolet	Silverado 3500 Chassis	44,356	\$5,000	1 Ton Cab Chassis
Parks	1GBJK34D26E256279	City of Sheboygan	2006	Chevrolet	Silverado 3500 Chassis	54,673	\$5,500	1 Ton Cab Chassis
Parks	1GBJK34264E259794	City of Sheboygan	2004	Chevrolet	Silverado 3500 Chassis	70,070	\$1,500	1 Ton Cab Chassis
Streets	1GBJK34132E107315	City of Sheboygan	2002	Chevrolet	Silverado 3500 Chassis	84,502	\$2,500	1 Ton Cab Chassis
Streets	3D6WG46D27G766108	City of Sheboygan	2007	Dodge	Ram 3500 Heavy Duty Chassis	38,152	\$5,500	1 Ton Cab Chassis
Streets	3D6WG46D47G766109	City of Sheboygan	2007	Dodge	Ram 3500 Heavy Duty Chassis	38,810	\$5,500	1 Ton Cab Chassis
Motor Vehic	1FDWF37R19EA51386	City of Sheboygan	2009	Ford	F-350 Chassis	38,266	\$12,000	1 Ton Cab Chassis
Streets	1GBJK34638E184982	City of Sheboygan	2008	Chevrolet	Silverado 3500HD Chassis	54,598	\$9,000	1 Ton Cab Chassis
Cemetery	1GB3KYCG4F2547442	City of Sheboygan	2015	Chevrolet	Silverado 3500HD Chassis	6,578	\$23,000	1 Ton Cab Chassis
Streets	1GB3KYCG3F2547447	City of Sheboygan	2015	Chevrolet	Silverado 3500HD Chassis	15,426	\$23,000	1 Ton Cab Chassis
Streets	1GB3KYCGXZ3871195	City of Sheboygan	2016	Chevrolet	Silverado 3500HD Chassis	19,443	\$25,500	1 Ton Cab Chassis
Parks	1GB3GRCG5J1332120	City of Sheboygan	2018	Chevrolet	Express Cutaway	10,183	\$20,500	1 Ton Cab Chassis
Parks	3B7KC26221M561736	City of Sheboygan	2001	Dodge	Ram 2500 Chassis	61,693	\$500	1 Ton Cab Chassis
Marina	3B7KF26221M283928	City of Sheboygan	2001	Dodge	Ram 2500 Chassis	89,697	\$1,000	1 Ton Cab Chassis
Parks	3B7KF26231M563647	City of Sheboygan	2001	Dodge	Ram 2500 Chassis	90,902	\$1,000	1 Ton Cab Chassis
Paint	3B7KC26291M561734	City of Sheboygan	2001	Dodge	Ram 2500 Chassis	77,230	\$500	1 Ton Cab Chassis
Parks	1FTXK1CF6GKF56836	City of Sheboygan	2016	Ford	F-150	16,900	\$21,000	1/2 Ton Pickup Crew 4x4
Streets	1GCEK14T012282289	City of Sheboygan	2001	Chevrolet	Silverado 1500	90,726	\$1,500	1/2 Ton Pickup Crew 4x4
Tim Bull	1FTXK1EF1GKF56837	City of Sheboygan	2016	Ford	F-150	17,276	\$23,500	1/2 Ton Pickup Crew 4x4
Jason Blaisd	1GCVKPC1E2286374	City of Sheboygan	2014	Chevrolet	Silverado 1500	27,358	\$18,000	1/2 Ton Pickup Crew 4x4
Dave Biebel	1FTFW1EF8CFC22623	City of Sheboygan	2012	Ford	F-150	38,598	\$12,500	1/2 Ton Pickup Crew 4x4
Joe Kerlin	3GCNWAFF7KG218829	City of Sheboygan	2019	Chevrolet	Silverado 1500	3,462	\$22,500	1/2 Ton Pickup Crew 4x4
Brandon Mu	3GCNKNCCG2385551	City of Sheboygan	2016	Chevrolet	Silverado 1500	27,840	\$19,000	1/2 Ton Pickup Crew 4x4
Dave Groves	3GCNKNCCG2326196	City of Sheboygan	2017	Chevrolet	Silverado 1500	14,466	\$22,000	1/2 Ton Pickup Crew 4x4
Streets	3GCNKNCCG2326193	City of Sheboygan	2017	Chevrolet	Silverado 1500	19,642	\$21,500	1/2 Ton Pickup Crew 4x4
Deland Park	3GCNYAEF7LG347035	City of Sheboygan	2020	Chevrolet	Silverado 1500	222	\$29,000	1/2 Ton Pickup Crew 4x4
Engineering	3GCNYAEF7LG348413	City of Sheboygan	2020	Chevrolet	Silverado 1500	413	\$29,000	1/2 Ton Pickup Crew 4x4
Mike Willia	3GCNYAEF8KG217165	City of Sheboygan	2019	Chevrolet	Silverado 1500	1,494	\$26,500	1/2 Ton Pickup Crew 4x4
Maywood	1GCDT196268250906	City of Sheboygan	2006	Chevrolet	Colorado	48,617	\$2,000	1/2 Ton Pickup Crew 4x4
Parks	1GCDT196968289525	City of Sheboygan	2006	Chevrolet	Colorado	60,246	\$2,000	1/2 Ton Pickup Crew 4x4
Ken Meinert	1GCDT196868286633	City of Sheboygan	2006	Chevrolet	Colorado	78,985	\$2,000	1/2 Ton Pickup Crew 4x4
Jordan Sucha	1GCDT196X68286553	City of Sheboygan	2006	Chevrolet	Colorado	119,360	\$1,800	1/2 Ton Pickup Crew 4x4
Engineering	1GCDT136468248356	City of Sheboygan	2006	Chevrolet	Colorado	67,734	\$3,500	1/2 Ton Pickup Crew 4x4
Engineering	1GCDT136068247351	City of Sheboygan	2006	Chevrolet	Colorado	77,368	\$3,500	1/2 Ton Pickup Crew 4x4
Parks	1GCDT14E388197019	City of Sheboygan	2008	Chevrolet	Colorado	48,840	\$1,500	1/2 Ton Pickup Crew 4x4
Scott Winter	1FMSK8AR3DGC40924	City of Sheboygan	2013	Ford	Utility Police Interceptor	79,384	\$5,000	1/2 Ton Pickup Crew 4x4
Mayor	2D8HN44H68R717386	City of Sheboygan	2008	Dodge	Grand Caravan	75,765	\$500	1/2 Ton Pickup Crew 4x4
Buildings/G	1GCFG25R0W1100692	City of Sheboygan	1998	Chevy Cargo Vans	Chevy Van	63,135	\$500	3/4 Ton Cargo Van
Buildings/G	1FTNE14L29DA46033	City of Sheboygan	2009	Ford	E-150	28,157	\$5,000	3/4 Ton Cargo Van
Buildings/G	NM0L57DN3CT079508	City of Sheboygan	2012	Ford	Transit Connect	19,038	\$6,000	3/4 Ton Cargo Van
Engineering	1FTNX205X9EA28848	City of Sheboygan	2009	Ford	F-250	23,790	\$4,000	3/4 Ton Pickup Crew 4x4
Parks	1GC2KUEG7GZ370514	City of Sheboygan	2016	Chevrolet	Silverado 2500HD	14,852	\$26,000	3/4 Ton Pickup Crew 4x4
Parks	1GC2KUEGXGZ370801	City of Sheboygan	2016	Chevrolet	Silverado 2500HD	25,715	\$25,500	3/4 Ton Pickup Crew 4x4
Engineering	1GC1KUEG0HF187390	City of Sheboygan	2017	Chevrolet	Silverado 2500HD	12,439	\$30,000	3/4 Ton Pickup Crew 4x4
Tar	1GCGC24R3YR225675	City of Sheboygan	2000	Chevrolet	C2500	61,916	\$500	3/4 Ton Pickup Reg 4x4
Tar	3D7KR26DX5G799797	City of Sheboygan	2005	Dodge	Ram 2500	62,688	\$1,000	3/4 Ton Pickup Reg 4x4
Brian Muebl	1GCGK29R7YF474929	City of Sheboygan	2000	Chevrolet	K2500	86,481	\$1,000	3/4 Ton Pickup Reg 4x4
Grass	1GCHC23U22F247136	City of Sheboygan	2002	Chevrolet	Silverado 2500 HD	81,354	\$2,200	3/4 Ton Pickup Reg 4x4
Sewer	1GCHC24K48E184343	City of Sheboygan	2008	Chevrolet	Silverado 2500HD	88,855	\$2,500	3/4 Ton Pickup Reg 4x4
Bruce Matzd	1GCHC24KX8E184511	City of Sheboygan	2008	Chevrolet	Silverado 2500HD	121,692	\$2,500	3/4 Ton Pickup Reg 4x4
Sign	1GCHC24K48E184293	City of Sheboygan	2008	Chevrolet	Silverado 2500HD	39,494	\$2,700	3/4 Ton Pickup Reg 4x4
Paint	1FTNF20549EA28847	City of Sheboygan	2009	Ford	F-250	45,236	\$2,500	3/4 Ton Pickup Reg 4x4
Sign	1FTNF20529EA28846	City of Sheboygan	2009	Ford	F-250	60,098	\$2,500	3/4 Ton Pickup Reg 4x4
Streets	3D7KS26D05G800038	City of Sheboygan	2005	Dodge	Ram 2500	69,165	\$1,800	3/4 Ton Pickup Reg 4x4
Sign	1GC0KUEG5H2305427	City of Sheboygan	2017	Chevrolet	Silverado 2500HD	6,952	\$28,000	3/4 Ton Pickup Reg 4x4

\$58,500

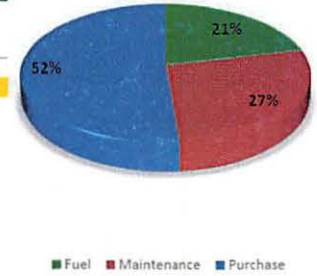
10 Year Cash Flow – 3 Year Cycle | CITY OF SHEBOYGAN

City of Sheboygan - Fleet Planning Analysis

Fleet Costs Analysis

Current Fleet	59	Fleet Growth	0.00%	Proposed Fleet	59
Current Cycle	19.87	Annual Miles	4,000	Proposed Cycle	2.81
Current Maint.	\$84.50			Proposed Maint.	\$30.01
Maint. Cents Per Mile	\$0.25	Current MPG	10	Price/Gallon	\$2.00

Fiscal Year	Fleet Mix			Fleet Cost							Annual		
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Total Capital Outlay	Maintenance	Fuel	Fleet Budget	Net Cash
Average	59	3.0	59	0	113,377	0				59,826	47,200	220,403	0
'21	59	59	0	59	0	458,411	(558,500)	(170,149)	-270,238	21,247	37,760	-211,231	431,634
'22	59	21	0	59	0	458,411	0	(325,340)	133,071	21,247	37,760	192,078	28,325
'23	59	36	0	59	0	458,411	0	(170,149)	288,262	21,247	37,760	347,269	-126,866
'24	59	21	0	59	0	458,411	0	(325,340)	133,071	21,247	37,760	192,078	28,325
'25	59	36	0	59	0	458,411	0	(535,368)	-76,956	21,247	37,760	-17,950	238,352
'26	59	44	0	59	0	458,411	0	(325,340)	133,071	21,247	37,760	192,078	28,325
'27	59	36	0	59	0	458,411	0	(170,149)	288,262	21,247	37,760	347,269	-126,866
'28	59	21	0	59	0	458,411	0	(325,340)	133,071	21,247	37,760	192,078	28,325
'29	59	36	0	59	0	458,411	0	(170,149)	288,262	21,247	37,760	347,269	-126,866
'30	59	21	0	59	0	458,411	0	(690,559)	-232,148	21,247	37,760	-173,141	393,544



Average Annual Capital Budget:

\$81,772

10 Year Savings

10 Year Savings: **\$796,230**

Annual Sustainable Savings: **\$39,292**

2021 Menu Pricing | CITY OF SHEBOYGAN

Vehicle Type	Year	Make	Model	Trim Level
3/4 Ton Cargo Van	2021	Ford	Transit 250	Base Low Roof
1/2 Ton Pickup	2021	Ram	1500	Crew Cab 4x4
3/4 Ton Pickup	2021	Ram	2500	Reg Cab 4x4
3/4 Ton Pickup	2021	Ram	2500	Crew Cab 4x4
1 Ton Chassis	2021	Ram	3500 Chassis	Reg Cab 4x4

Equity Lease Menu Pricing - MY 2021

Vehicle Type	Quantity	Term	Estimated Annual Mileage	Est. Capitalized Price - built w/ standard options	Monthly Cost (Lease Rate)*	Upfit Cost - Capped into Vehicle	2021 or 12 Month Cash Outlay	EFM Quote #	Scotts FMV @ Term
3/4 Ton Cargo Van	3	60	5,000	\$33,868	\$526		\$18,936	4907723	\$19,000
1/2 Ton Pickup	21	12	5,000	\$32,600	\$540		\$136,080	4910901	\$36,000
3/4 Ton Pickup Reg Cab	11	24	5,000	\$31,928	\$522		\$68,904	4907638	\$32,000
3/4 Ton Pickup Crew Cab	4	24	5,000	\$32,100	\$525		\$25,200	4882574	\$35,000
1 Ton Chassis	20	60	5,000	\$49,000	\$872	\$15,000	\$209,280	4882607	\$22,000
	59						\$458,400		

Year 1 or 12 Month Total Spend - Cash Out	Total Equity on selling 59 Current Vehicles	Cash Outlay (+/-) in Year 1 or first 12 months
\$458,400	(\$558,500)	(\$100,100)

2021 Est. Total Spend (New Vehicles Deliver July 2021)	Total Equity on selling 59 Current Vehicles	Cash Outlay (+/-) in 2021
\$229,200	(\$558,500)	(\$329,300)

CASE STUDY – CITY OF WAUSAU

CASE STUDY | CITY OF WAUSAU



City of Wausau Improves Light-Duty Fleet and Saves More Than \$482K Over 4-Years.

BACKGROUND

Location: Wausau, WI
Industry: Government
Total vehicles: 64 vehicles

THE PROBLEM

The City of Wausau's light-duty fleet had an average age of 9 years. City mechanics were spending time reactively handling maintenance and repairs to keep the aging vehicles on the road. Maintenance and fuel expenses continually increased for the city as aged vehicles lost efficiency over time. The city's budget for the fleet dictated when vehicles could be replaced. Once vehicles qualified for replacement by the city's standards, they had very little resale value and were only being sold through public auction.

THE SOLUTION

Enterprise Fleet Management proposed a 4-year replacement strategy to help refresh the City's Light-Duty Fleet. By leveraging a Government Equity Lease funding platform, they were able to replace vehicles each year to fit within their purchase budget. With a replacement strategy that had them cycling vehicles faster, the City has seen an increase in resale returns.

"The decision to work with Enterprise Fleet Management to improve our light-duty fleet has been one of the best we've made. Not only are we seeing the financial savings, but our mechanics have been able to focus more of their time on more expensive, specialized equipment and machinery. Our employees also appreciate driving newer, safer vehicles with better features to make doing their job easier."

– Mark Hanson, Fleet and Facilities Manager

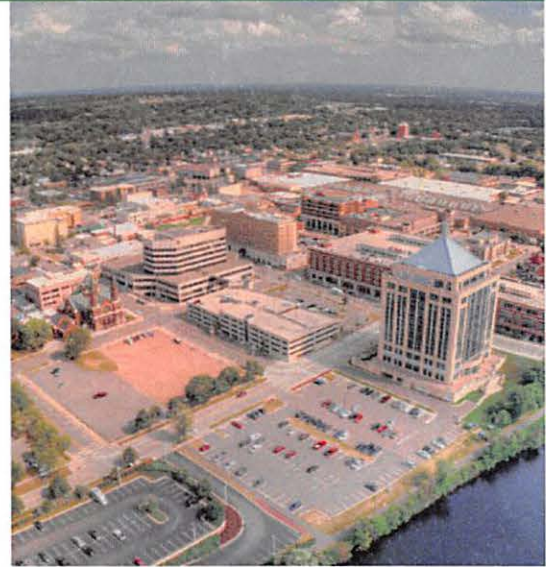
THE SOLUTION

Additional benefits to the replacement strategy include a 35% improvement in fuel economy, and an average of \$30,000 in annual maintenance costs.

THE RESULTS

The City of Wausau has experienced a \$482,697 net budget savings over the past 4 years compared to the average budget prior to partnering with Enterprise Fleet Management. These savings were realized even as the total miles traveled by the City increased from 118,000 in 2015 to roughly 328,000 total annual miles in 2019 (177% increase). The partnership has also allowed the City of Wausau to reduce the average age of their vehicles down to 4 years, and presents creative opportunities, as in 2019, when the City was able to turn in 4 leases early for net cash return of \$33,961.

To learn more, visit efleets.com or call 877-23-FLEET.



Key Results

\$482,697
NET BUDGET SAVINGS
OVER 4 YEARS



35%
IMPROVEMENT
AVERAGE MPG
OVER 4 YEARS

177%
INCREASE IN ANNUAL MILEAGE
WITH AVERAGE ANNUAL FLEET
SAVINGS OF 38%



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ACCOUNT MANAGEMENT

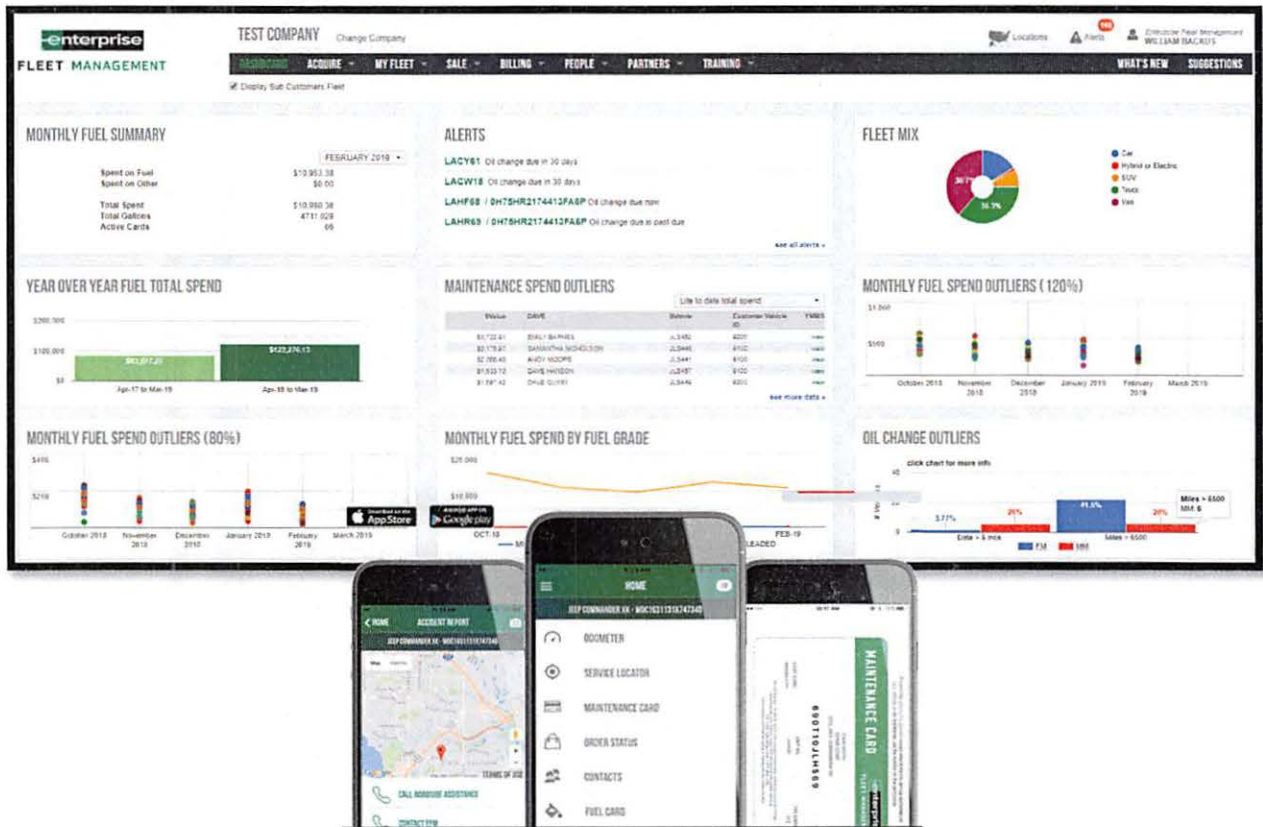
The City of Sheboygan will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Account Manager meets with you 2-3 times a year for both financial and strategic planning.
- Your Account Manager will provide on-going analysis – this will include most cost-effective vehicle makes/models, cents per mile, total cost of ownership, and replacement analysis.

TECHNOLOGY

Enterprise Fleet Management's website provides vehicle tracking, reporting, and metrics. Our website can be customized to view a wide range of data so that you may have a comprehensive and detailed look at all aspects of your fleet and the services provided. Our Mobile App gives drivers all of the convenience and functionality they need.

- **Consolidated Invoices** - Includes lease, maintenance, and any additional ancillaries
- **Maintenance Utilization** - Review the life-to-date maintenance per vehicle
- **Recall Information** - See which units have open recalls
- **License & Registration** - See which plate renewals are being processed by Enterprise and view status
- **Alerts** - Set customizable alerts for oil changes, lease renewals, license renewals, and billing data
- **Lifecycle Analysis** - See data regarding all transactions for the lifecycle of the entire fleet, with drill-down capability to any specific lease or transaction



ENTERPRISE FLEET CLIENTS & REFERENCES

CURRENT PARTNERS:

- City of La Crosse
- Marathon County
- City of Manitowoc
- City of Wausau
- City of West Bend
- Shawano County
- City of Oak Creek
- City of Ashland
- City of Two Rivers
- Dunn County
- Buffalo County
- Grant County
- Polk County
- La Crosse County
- Oconto County
- City of Sparta
- Langlade County
- City of Platteville
- City of Green Bay

REFERENCE:

Below is a list of at least two (2) client references including company name, contact person, and telephone number.

1. City: **City of Manitowoc**
Business Phone #: (920) 686-6961
Contact Person: Shawn Alfred, Finance Director
2. City: **City of Oak Creek**
Business Phone #: (414) 766-7060
Contact Person: Andrew Vickers, City Administrator

Purchasing Cooperatives Enterprise is Partnered with:

- TIPS/TAPS USA
- SOURCEWELL



City of Sheboygan - Fleet Planning Analysis



Current Fleet Total	59	Annual Miles Per	4,000	Enterprise Fleet Total	59
Current Cycle (avg. # of years to cycle all 59)	20 year	Proposed Cycle (avg. # of years to cycle all 59)	3 year		

^ how many years it takes to cycle through all 59 vehicles

^ how many years it takes to cycle through all 59 vehicles

Fiscal Year	Fleet Mix		Fleet Cost					Annual Spend				
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Annual Lease Payments	Equity Applied to Lease Payments	Current Fleet Equity	Leased Fleet Equity	Total Equity	End of Year Equity Balance	Total Capital Budget
Current Annual Average Budget*	59	3.0	59	0	\$113,377							
21	59	59	0	59	0	458,411	\$333,411	(\$558,599)	(\$170,149)	(\$728,748)	(\$395,337)	\$125,000
22	59	21	0	59	0	458,411	\$333,411		(\$326,340)	(\$721,677)	(\$388,266)	\$125,000
23	59	36	0	59	0	458,411	\$333,411		(\$170,149)	(\$558,415)	(\$225,004)	\$125,000
24	59	21	0	59	0	458,411	\$333,411		(\$325,340)	(\$550,344)	(\$216,933)	\$125,000
25	59	36	0	59	0	458,411	\$333,411		(\$535,368)	(\$752,301)	(\$418,890)	\$125,000
26	59	44	0	59	0	458,411	\$333,411		(\$325,340)	(\$744,230)	(\$410,819)	\$125,000
27	59	36	0	59	0	458,411	\$333,411		(\$170,149)	(\$580,968)	(\$247,557)	\$125,000
28	59	21	0	59	0	458,411	\$333,411		(\$325,340)	(\$572,897)	(\$239,486)	\$125,000
29	59	36	0	59	0	458,411	\$333,411		(\$170,149)	(\$409,635)	(\$76,224)	\$125,000
30	59	21	0	59	0	458,411	\$333,411		(\$690,559)	(\$766,783)	(\$433,372)	\$125,000

*does not include maintenance or fuel spend or savings

Lease Terms Vary By Vehicle: (1/2 Ton Pickups 12 months) (3/4 Ton Pickups 24 Months) (1 Ton Chassis 60 months & includes an est. \$15,000 in upfit cost per chassis)

^(\$433,372) is the amount of equity still in the reserve after the 10th year

Current Owned Fleet

SELLING YEAR	2021	2022	2023	2024	2025	Under-Utilized
QTY	59					0
Est \$ TOTAL	\$9,466					\$0
	\$558,500					\$0
Estimated Current Fleet Equity**						\$558,500

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Submitting an analysis of the Motor Vehicle Division of the Department of Public Works non-commercial driver’s license vehicles (Non- CDL light duty by Enterprise Fleet Management). The analysis describes the current state of the fleet and its limitations, provides alternatives to shorten the life cycle and maximize the equity at the time of resale. In addition, the program will improve operating and capital financials.

REPORT PREPARED BY: David H. Biebel, Director of Public Works

REPORT DATE: February 16, 2021

MEETING DATE: February 22, 2021

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: Motor Vehicle Funding has been supplemented with General Obligation borrowing and is competing with other capital projects. Although this funding has been reduced to \$250,000 annually, it still represents a large amount of funding. In addition, the MVD light duty portion of the fleet is difficult to turn-over or replace due to priorities and funding.

The average age of the light duty trucks (pickups ½ ton to 1 ton) is 12.3 years old. Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime, higher maintenance costs, and loss of productivity. Due to these issues the department is recommending to partner with a leasing company to help acquire and manage the light duty section of the fleet to provide newer vehicles and quicker turn-around on the resale to maximize values and revenues.

STAFF COMMENTS: It is the Department of Public Works recommendation that the City strongly consider converting our Non-CDL light duty fleet into a lease management system. Based on the Support Fleet Synopsis provided by Enterprise Fleet Management, the City of Sheboygan DPW will be better able to utilize Enterprise’s buying power and a tightly controlled resale program. Leveraging an open-ended lease maximizes cash flow and recognizes equity from vehicles sold, creating an internal replacement fund, which will create a more sustainable and predictable budget moving forward.

ACTION REQUESTED: Motion to recommend the Common Council adopt R.O. No. 145-20-21 submitting an analysis of the Motor Vehicle Division of the Department of Public Works non-commercial driver's license vehicles (Non- CDL light duty by Enterprise Fleet Management), and recommend Council to move forward with entering into lease agreement with Enterprise Fleet Management.

ATTACHMENTS:

- I. R.O. No. 145-20-21
- II. Support Fleet Synopsis

III

45

Res. No. 1168 - 20 - 21. By Alderpersons Donohue and Bohren.
February 15, 2021.

RESOLUTION PROVIDING FOR THE SALE OF APPROXIMATELY \$3,660,000 TAXABLE
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021B

WHEREAS, the City of Sheboygan, Sheboygan County, Wisconsin (the "City")
is presently in need of approximately \$3,660,000 for the public purpose of
refunding outstanding obligations of the City, specifically the callable
maturities of its General Obligation Promissory Notes, dated August 4, 2015,
a portion of the 2024 and 2025 maturities of the General Obligation
Promissory Notes, Series 2016A, dated April 20, 2016, and the callable
maturities of its General Obligation Promissory Notes, Series 2017A, dated
May 15, 2017; and

WHEREAS, it is desirable to borrow said funds through the issuance of
general obligation refunding bonds pursuant to Section 67.04, Wisconsin
Statutes; and

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.

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

Section 1. The Bonds. The City shall issue its Taxable General
Obligation Refunding Bonds, Series 2021B (the "Bonds") in an amount of
approximately \$3,660,000 for the purpose above specified.

Section 2. Sale of Bonds. The Common Council hereby authorizes and
directs that the Bonds be offered for public sale. At a subsequent meeting,
the Common Council shall consider such bids for the Bonds as may have been
received and take action thereon.

Section 3. Notice of Sale. The City Clerk (in consultation with the
City's financial advisor, Wisconsin Public Finance Professionals, LLC
("WPPF")) be and hereby is directed to cause notice of the sale of the Bonds
to be disseminated in such manner and at such times as the City Clerk may
determine and to cause copies of a complete Official Notice of Sale and other
pertinent data to be forwarded to interested bidders as the City Clerk may
determine.

FAP

Section 4. Official Statement. The City Clerk (in consultation with WFPF) shall cause an Official Statement concerning this issue to be prepared by WFPF. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Statement, such certification to constitute full authorization of such Statement under this resolution.

My Lynne Nowlin

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the ____ day of _____, 2021.

Dated _____, 2021. _____, City Clerk

Approved _____, 2021. _____, Mayor

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 168-20-21 by Alderpersons Donohue and Bohren. A resolution providing for the sale of approximately \$3,660,000 Taxable General Obligation Refunding Bonds, Series 2021B.

REPORT PREPARED BY: Tara Duwe, Deputy Finance Director

REPORT DATE: February 15, 2021

MEETING DATE: February 22, 2021

FISCAL SUMMARY:

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

STATUTORY REFERENCE:

Wisconsin Section 67.04
Statutes:
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The City of Sheboygan is presently in need of approximately \$3,660,000 for the public purpose of refunding outstanding obligations to the City, specifically the callable maturities of its of General Obligation Promissory Notes, dated August 4, 2015, a portion of the 2024 and 2025 maturities of the General Obligation Promissory Notes, Series 2016A, dated April 20, 2106, and the callable maturities of its General Obligation Promissory Notes, Series 2017A, dated May 15, 2017. These Note issues are not callable at this time, but may be refinanced to achieve the City’s restructuring goals using “advance refunding.”

STAFF COMMENTS:

The City of Sheboygan completes an annual review with its consultant, WI Public Finance Professionals, LLC (Carol Wirth), in relation to borrowing needs for capital projects and TIDs. These discussions also include review and analysis of the existing debt and the impact of current and future capital improvement borrowing on the debt service tax levy. This analysis was also presented to the Finance Committee in 2019. The 2021 analysis looks at potential savings and restructuring opportunities available in a low interest rate environment. Advance refunding in 2021, locks in the lower interest rate and restructures the debt payment out to a longer term. The preliminary results indicate the refunding will lower the annual debt service tax levy, but does result in a present value loss due to refinancing now instead of at the call date in the future.

ACTION REQUESTED:

Motion to recommend the Common Council adopt Res. No. 168-20-21 by Alderpersons Donohue and Bohren authorizing the City to issue sale of approximately \$3,660,000 Taxable General Obligation Refunding Bonds, Series 2021B.

ATTACHMENTS:

- I. Res. No. 168-20-21
- II. Documentation provided by Carol Wirth



WISCONSIN PUBLIC FINANCE PROFESSIONALS, LLC
1025 SOUTH MOORLAND ROAD, SUITE 504
BROOKFIELD, WI 53005
414-434-9644
FAX: 414-226-2014

City of Sheboygan

Report on \$3,660,000 Taxable General Obligation Refunding Bonds (“Advance Refunding”)

February 22, 2021 – Finance and Personnel Committee

Prepared by: Carol Wirth, President, Wisconsin Public Finance Professionals, LLC (“WPPF”)

Set Sale Resolution

The Set Sale Resolution is for the issuance of approximately \$3,660,000 of taxable general obligation refunding bonds, which will be sold at a future date (March 15). This is the same date the City’s 2021 General Obligation Notes for capital improvement projects will sell in the market. WPPF will prepare and distribute the Notices of Sale and Official Statement, instructing underwriters how to place their bids on a specific date and time. The Common Council will take action on bids received and verified by WPPF with the adoption of an award resolution for each issue on March 15.

Advance Refunding

Advance refunding is a type of refinancing the City may consider when existing debt has not reached its prepayment date (“call date”). The City refinances the debt in advance of the call date by selling the new refunding bonds, purchasing investments – U.S. Treasury securities- in an amount sufficient to pay off the existing debt (principal and interest) at the call date. The U.S. Treasuries are placed with an Escrow Agent (Trust Company) and the Escrow Agent is responsible for paying off the existing debt, which is removed from the City’s debt limit and obligation to pay. Bondholders of the existing debt receive their payments of principal and interest from the escrow.

Refunding is used to: realize savings, or, to restructure existing debt. Interest rates are at historic low levels which provide issuers with opportunities to accomplish both goals.

The City of Sheboygan has historically used general obligation promissory notes for its capital improvement borrowing, which is limited to a maximum repayment of 10 years. The notes were structured with the prepayment feature on the last two principal payments. Over the past few years, as the City’s capital project needs were reviewed, and future issues projected, the impact of the combined annual debt service on the tax levy was significantly increasing. In 2019, a plan of refinancing for restructuring the last two principal payments for the 2015 Notes, a portion of 2016 Notes, and 2017 Notes was prepared to manage the tax levy increases for City purposes debt service. The prepayment dates for those Note issues are October 1, 2022, October 1, 2023 and April 1, 2025, respectively. The 2019 plan was to refinance these Notes at their

prepayment dates, together with the annual CIP borrowings. The analysis demonstrated the ability to restructure the debt out longer at an approximate break-even cost on a present value basis.

In consideration of the currently low interest rate environment, an advance refunding analysis was performed for refinancing the callable portion of the three outstanding Notes originally issued for City purposes, and locking in the restructured debt service in 2021.

Portion of Existing Notes Being Refunded

2015 Notes – 2023 (\$375,000 @ 2.00%) and 2024 (\$340,000 @ 2.125%) – Total \$715,000 + interest to call
 2016 Notes – 2024 (\$375,000 @ 1.55%) and 2025 (\$375,000 @ 1.65%) - Total \$750,000 + interest to call
 2017 Notes – 2026 (\$1,000,000 @ 2.5%) and 2027 (\$900,000 @ 2.5%) – Total \$1,900,000 + interest to call

Existing City Purpose Debt Service with 2021 to 2024 Projected CIP Borrowings – Without Refunding

If the City does not advance refund the 2015, 2016 and 2017 Notes, below is the estimated combined debt service for City purpose debt, including 2021 – 2024 CIP borrowings.

Calendar Year	Existing City Purpose Debt Service	\$4,255,000 2021 CIP Estimated Notes P+I	\$4,000,000 2022 CIP Estimated Notes P+I	\$4,000,000 2023 CIP Estimated Notes P+I	\$4,000,000 2024 CIP Estimated Notes P+I	Estimated Combined Debt Service
2021	4,174,377	-	-	-	-	4,174,377
2022	4,098,862	315,917	-	-	-	4,414,779
2023	4,446,426	205,100	251,444	-	-	4,902,970
2024	4,544,611	398,450	272,288	265,222	-	5,480,571
2025	4,366,725	229,850	268,700	281,900	124,000	5,271,175
2026	4,407,328	362,900	310,113	277,800	295,000	5,653,141
2027	3,688,190	559,600	430,738	318,700	320,388	5,317,615
2028	2,020,850	739,300	424,175	513,700	405,100	4,103,125
2029	1,882,650	747,150	417,613	404,700	372,788	3,824,900
2030	874,350	994,850	936,050	472,700	491,038	3,768,988
2031	850,350	-	1,180,300	939,200	641,475	3,611,325
2032	826,350	-	-	1,081,200	968,313	2,875,863
2033	952,350	-	-	-	1,022,500	1,974,850
2034	948,850	-	-	-	-	948,850
2035	344,600	-	-	-	-	344,600
2036	332,600	-	-	-	-	332,600
2037	320,600	-	-	-	-	320,600
2038	223,600	-	-	-	-	223,600
-	39,303,669	4,553,117	4,491,419	4,555,122	4,640,600	57,543,927

\$3,660,000 Taxable General Obligation Refunding Bonds – 2021A

Bonds issued for the purpose of “advance refunding” must be sold at taxable interest rates. The 2021 refunding bonds are restructuring the two callable principal maturities on each of the 2015, 2016 and 2017 Notes to mature in 2024 – 2033. The estimated true interest rate, including issuance expenses, is 1.42%. The final rate will be locked in on the day bids are received (March 15). Because the refunding is stretching debt out longer, it will result in a **cost instead of a savings**. The refunding will lower the annual tax levy requirement for City purpose debt service (See page 4 – After Refunding).

Taxable G.O. Refunding Bonds Preliminary Source and Use of Funds

Dated 04/01/2021 | Delivered 04/01/2021

	2015 Refunding	2016 Refunding	2017 Refunding	Total 2021 Ref Bonds
Sources Of Funds				
Par Amount of Bonds	\$755,000.00	\$795,000.00	\$2,110,000.00	\$3,660,000.00
Transfers from Prior Issue Debt Service Funds	3,447.50	1,945.00	12,197.50	17,590.00
Total Sources	\$758,447.50	\$796,945.00	\$2,122,197.50	\$3,677,590.00
Uses Of Funds				
Total Est. Issuance Expenses Paid by Underwriter	18,895.63	19,896.72	52,807.65	91,600.00
Total Cost of Investments for Escrow	736,213.98	777,521.50	2,068,058.65	3,581,794.13
Deposit to Debt Service Est.	3,337.89	(473.22)	1,331.20	4,195.87
Total Uses	\$758,447.50	\$796,945.00	\$2,122,197.50	\$3,677,590.00

Below is the structure for the \$3,660,000 Taxable General Obligation Refunding Bonds – 2021A.

Calendar Year	Principal (4/01)	Rate	Estimated Interest	Total Est. Debt Service
2021	-	-	19,522.50	19,522.50
2022	-	-	39,045.00	39,045.00
2023	-	-	39,045.00	39,045.00
2024	40,000.00	0.300%	38,985.00	78,985.00
2025	40,000.00	0.450%	38,835.00	78,835.00
2026	270,000.00	0.600%	37,935.00	307,935.00
2027	240,000.00	0.800%	36,165.00	276,165.00
2028	355,000.00	0.900%	33,607.50	388,607.50
2029	620,000.00	1.000%	28,910.00	648,910.00
2030	625,000.00	1.100%	22,372.50	647,372.50
2031	615,000.00	1.200%	15,245.00	630,245.00
2032	415,000.00	1.300%	8,857.50	423,857.50
2033	440,000.00	1.400%	3,080.00	443,080.00
-	\$3,660,000.00	TIC 1.42%	\$361,605.00	\$4,021,605.00

The following schedule demonstrates the difference in the existing debt service (2015, 2016 and 2017 Notes) compared to the restructured debt service (2021 Bonds). The **future value difference is a cost of \$321,970, having a present valued loss of \$136,026.** This same analysis performed and presented to Finance Committee in 2019, produced a **future value loss of \$562,129, having a present value loss of \$44,400.** Therefore, the future value cost is lower now due to the lower interest rates in 2021 versus the projected rates in 2022-2024. The present value loss is greater now due to the time factor of the refunding occurring now rather than in the future at the call dates.

Est. Debt Service Savings/Cost Comparison-2021 Bonds vs. 2015, 2016 & 2017 Note

Calendar Year	2021 Taxable Bonds D/S	2015, 2016 & 2017 Notes D/S	Net Est. Savings (Cost)
2021	19,522.50	19,522.50	-
2022	39,045.00	74,225.00	35,180.00
2023	39,045.00	449,225.00	410,180.00
2024	78,985.00	781,725.00	702,740.00
2025	78,835.00	428,687.50	349,852.50
2026	307,935.00	1,035,000.00	727,065.00
2027	276,165.00	911,250.00	635,085.00
2028	388,607.50	-	(388,607.50)
2029	648,910.00	-	(648,910.00)
2030	647,372.50	-	(647,372.50)
2031	630,245.00	-	(630,245.00)
2032	423,857.50	-	(423,857.50)
2033	443,080.00	-	(443,080.00)
-	\$4,021,605.00	\$3,699,635.00	(321,970.00)

Net Present Value Loss \$(136,026.10)

Estimated City Purpose Debt Service with 2021 to 2024 Projected CIP Borrowings – After Refunding

Calendar Year	City Purposes Estimated Debt Service After 2021 Refunding	\$4,255,000 2021 CIP Estimated Notes P+I	\$4,000,000 2022 CIP Estimated Notes P+I	\$4,000,000 2023 CIP Estimated Notes P+I	\$4,000,000 2024 CIP Estimated Notes P+I	Estimated Combined Debt Service
2021	4,174,377	-	-	-	-	4,174,377
2022	4,063,682	315,917	-	-	-	4,379,599
2023	4,036,246	205,100	251,444	-	-	4,492,790
2024	3,841,871	398,450	272,288	265,222	-	4,777,831
2025	4,016,873	229,850	268,700	281,900	124,000	4,921,323
2026	3,680,263	362,900	310,113	277,800	295,000	4,926,076
2027	3,053,105	559,600	430,738	318,700	320,388	4,682,530
2028	2,409,458	739,300	424,175	513,700	405,100	4,491,733
2029	2,531,560	747,150	417,613	404,700	372,788	4,473,810
2030	1,521,723	994,850	936,050	472,700	491,038	4,416,360
2031	1,480,595	-	1,180,300	939,200	641,475	4,241,570
2032	1,250,208	-	-	1,081,200	968,313	3,299,720
2033	1,395,430	-	-	-	1,022,500	2,417,930
2034	948,850	-	-	-	-	948,850
2035	344,600	-	-	-	-	344,600
2036	332,600	-	-	-	-	332,600
2037	320,600	-	-	-	-	320,600
2038	223,600	-	-	-	-	223,600
-	39,625,639	4,553,117	4,491,419	4,555,122	4,640,600	57,865,897

Market Preparations

The Taxable G.O. Refunding Bonds will be sold simultaneously with the City's \$5,140,000 of tax-exempt G.O. Promissory Notes on March 15, 2021. The Official Statement is being prepared for distribution to the marketplace and used for Moody's bond rating presentation scheduled for March 4th. The closing will take place April 1 at which time the escrow will be established for the callable portion of the 2015, 2016 and 2017 Notes being advance refunded.

III

DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 175 - 20 - 21. By Alderpersons Donohue and Bohren.
February 22, 2021.

A RESOLUTION approving the Investment Policy of the City of Sheboygan.

WHEREAS, the City of Sheboygan's current Investment Policy has not been substantially updated since 1995; and

WHEREAS, it is in the best interest of the City of Sheboygan to have an Investment Policy that incorporates current best practices regarding the investment of municipal funds so that the City can maximize the interest it receives from funds not needed for the City's immediate use and appropriately mitigate both cost and risk.

NOW, THEREFORE, BE IT RESOLVED: That the Common Council of the City of Sheboygan approves the attached Investment Policy and authorizes the appropriate City officials to take the actions identified in that Investment Policy.

FAP

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 INVESTMENT POLICY	
Title: Investment Policy	Policy Reference: Res. -20-21 (Replaces Res. 214-10-11)
Policy Source: Person designated by Municipal Code as Comptroller ("Comptroller")	City Attorney Review Date:
Finance and Personnel Committee Approval:	Common Council Approval:

SCOPE OF THE POLICY

This overarching investment policy applies to the financial activities of the City of Sheboygan with regard to investing the financial assets of all City funds, including those mentioned below. The Comptroller must review this policy in conjunction with the City’s commercial banks at least every three years. Any changes proposed as a result of that review shall be submitted to the Common Council.

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Expendable Trust Funds
- Internal Service Funds

For the avoidance of doubt, to the extent stricter rules apply—such as with respect to investing the proceeds of tax-exempt bonds between issuance of the bond and usage of the proceeds—those stricter rules also apply.

DECISION-MAKING

The Comptroller is the person responsible for making investment decisions under this Investment Policy.

The Comptroller shall use the “prudent person” standard, which shall be applied in the context of managing an overall portfolio. The Comptroller, acting in accordance with any written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported appropriately (as required by this policy) and the liquidity and sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their own capital as well as the probable income to be derived.

CASH MANAGEMENT PROGRAM

The City shall maintain a cash management program with one or more commercial banks that will provide protection for the City’s deposits through collateralization or similar protections and

maximize any interest on deposits while minimizing fees. The average balance held with a commercial bank should be within the FDIC insurance limit as much as possible.

To the extent permitted by law, all revenue received by the City—including revenue of the Mead Public Library Board, Parking Utility, and Transit Utility—shall be deposited with the one or more commercial banks with which the City maintains its cash management program and managed in accordance with this cash management program.

INVESTMENT PORTFOLIO

Funds of the City not needed for the City's immediate use will be invested in accordance with state law and this Investment Policy.

This Investment Policy stipulates the City shall diversify the investment portfolio by instruments, financial institution and maturities which comply with Section 66.0603 of the Wisconsin Statutes.

Wis. Stat. § 66.0613(1m)(a)4 allows the City to purchase certain securities so long as that security "has a rating which is the highest or second highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency . . ." (emphasis added). Despite Wis. Stat. § 66.0613(1m)(a)4, pursuant to this policy, the City may only invest in securities under Wis. Stat. § 66.0613(1m)(a)4 if the security has a rating which is the highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency.

The City may invest in any other permissible investment identified in Wis. Stat. § 66.0603 to the extent permitted by law.

Treasury Management

For matters related to treasury management, the City shall enter into an agreement with each commercial bank designated as a depository in which City funds are actually deposited. This agreement shall set forth appropriate requirements regarding: (1) reporting to the City by the commercial bank, (2) the collateralization of City funds, (3) safekeeping of pledged securities, and (4) any other provisions deemed appropriate by the Comptroller to adequately protect the City.

Diversification by Financial Institution

The only restriction regarding allocation of funds within the City's investment portfolio is that Certificates of Deposit (CD) in commercial banks will be limited to no more than 25 percent of the portfolio at any one institution. The Comptroller will endeavor to ensure the investments are appropriately diversified among issuers.

Maturing Scheduling

Investment maturities for operating funds shall be scheduled to coincide with the City's projected cash flow needs. Maturities for term instruments may be extended to not more than seven years

of the date on which it is acquired in an effort to maximize the highest rate of return during varying market conditions.

Depository Institutions

The Common Council shall approve each financial institution when it is first designated as a depository of City funds. Currently, the approved depositories are:

- The US Government
- The State of Wisconsin Investment Pool
- U S Bank
- Wells Fargo Bank
- Associated Bank
- Wisconsin Bank and Trust
- UBS Financial Services, Inc
- Multi Bank Securities, Inc
- RBC Dain

REPORTING REQUIREMENTS

Daily reports of cash collections and monthly reports of investments will be generated for management purposes. The Finance and Personnel Committee will be provided quarterly reports regarding the City's Investment portfolio.

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 175-20-21 by Alderpersons Donohue and Bohren.

REPORT PREPARED BY: Todd Wolf, City Administrator

REPORT DATE: 2-17-2021

MEETING DATE: 2-22-2021

FISCAL SUMMARY:

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

STATUTORY REFERENCE:

Wisconsin Statutes: 66.0603
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The existing City of Sheboygan Investment Policy in place at several of our partnering financial institutions dates back to 1995. The most recent update to the Investment Policy occurred during the 2010-2011 Council year via Res. No. 214-10-11

STAFF COMMENTS:

In an effort to support our Strategic Plan Core Value of Stewardship-Fiscal Responsibility and maximize the City's return on investment, it is necessary and prudent to update the Investment Policy. Market conditions and financial instruments have undergone significant changes since the Investment Policy's most recent update a decade ago. The Investment Policy maintains compliance with Section 66.0603 of the Wisconsin Statutes to ensure safe investment of the City's financial resources.

ACTION REQUESTED:

Motion to recommend adoption of Res. No. 175-20-21.

ATTACHMENTS:

- I. Res. No. 175-20-21
- II. City of Sheboygan Investment Policy