

# COMMON COUNCIL

City of Kaukauna  
**Council Chambers**  
Municipal Services Building  
144 W. Second Street, Kaukauna



Tuesday, June 20, 2023 at 7:00 PM

## AGENDA

### In-Person and Remote Teleconference via ZOOM

1. Roll call, one minute of silent prayer, Pledge of Allegiance to the American Flag.
2. Reading and approval of minutes.
  - [a.](#) Common Council Meeting Minutes of June 6, 2023.
3. Presentation of letters, petitions, remonstrances, memorials, and accounts.
  - [a.](#) Bills Payable.
4. Public appearances.
5. Business presented by Mayor.
  - [a.](#) Damaged Home Siding Claim.
  - [b.](#) Reappointment of Joseph Lucas to the Kaukauna Public Library Board.
  - [c.](#) Reappointment of Anna Neumeier to the Kaukauna Public Library Board.
  - [d.](#) 2022 Audited City Financial Statements - presented by CLA (CliftonLarsonAllen).
6. Reports of City officers.
  - [a.](#) Fire Report.
  - [b.](#) Ambulance Report.
  - [c.](#) Police Report.
  - [d.](#) Court Report.
  - [e.](#) Clerk-Treasurer's Daily Deposit Report.
  - [f.](#) Building Inspection Report.
  - [g.](#) Carnegie Building Update
  - [h.](#) Fox Cities Arts and Culture Tour Application
7. Reports of standing and special committees.
  - [a.](#) Board of Public Works Meeting Minutes of June 19, 2023.
  - [b.](#) Health & Recreation Committee Meeting Minutes of June 19, 2023.
  - [c.](#) Legislative Committee Meeting Minutes of June 19, 2023.
  - [d.](#) Public Protection and Safety Committee Meeting Minutes of June 19, 2023.
  - [e.](#) Board of Appeals Meeting Minutes of June 7, 2023.
  - [f.](#) Heart of the Valley Metropolitan Sewerage District Regular Meeting Minutes of May 9, 2023.
  - [g.](#) Heart of the Valley Metropolitan Sewerage District Special Community Meeting Minutes of May 17, 2023.
  - [h.](#) Operator (Bartender) Licenses.

8. Presentation of ordinances and resolutions.
  - [a.](#) Ordinance 1883-2023 Creating Section 3.18 Special Charges.
  - [b.](#) Resolution 2023-5391: A Resolution Accepting Community Development Investment - Vibrant Spaces Grant and Authorizing the Mayor, Anthony Penterman, to Enter into a Grant Agreement with the Wisconsin Economic Development Corporation.
  - [c.](#) Bond Resolution 2023-5392 - \$2,050,765 City of Kaukauna Waterworks System Revenue Bonds, Series 2023 (Safe Drinking Water Loan)(the "Revenue Bonds")
9. Closed session.
  - a. Adjourn to Closed Session Pursuant to State Statute 19.85(1)(g) to confer with legal counsel with regard to litigation in which it is or is likely to become involved.
  - b. Return to Open Session for possible action.
  - c. Adjourn to Closed Session Pursuant to State Statute 19.85(1)(e) to discuss disposition of public property - Land Acquisition.
  - d. Return to Open Session for possible action.
  - e. Adjourn to Closed Session Pursuant to State Statute 19.85(1)(e) to discuss disposition of public property - Land Acquisition.
  - f. Return to Open Session for possible action.
  - g. Adjourn to Closed Session Pursuant to State Statute 19.85(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.
  - h. Return to Open Session for possible action.
10. Adjourn.

## **NOTICES**

**IF REQUESTED THREE (3) DAYS PRIOR TO THE MEETING, A SIGN LANGUAGE INTERPRETER  
WILL BE MADE AVAILABLE AT NO CHARGE.**

### **MEETING ACCESS INFORMATION:**

You can access this meeting by one of three methods: from your telephone, computer, or by an app. Instructions are below.

To access the meeting by telephone:

1. Dial 1-312-626-6799
2. When prompted, enter Meeting ID 234 605 4161 followed by #
3. When prompted, enter Password 54130 followed by #

To access the meeting by computer:

1. Go to <http://www.zoom.us>
2. Click the blue link in the upper right hand side that says Join a Meeting
3. Enter Meeting ID 234 605 4161
4. Enter Password 54130
5. Allow Zoom to access your microphone or camera if you wish to speak during the meeting

To access the meeting by smartphone or tablet:

1. Download the free Zoom app to your device
2. Click the blue button that says Join a Meeting
3. Enter Meeting ID 234 605 4161
4. Enter Password 54130
5. Allow the app to access your microphone or camera if you wish to speak during the meeting

\*Members of the public will be muted unless there is an agenda item that allows for public comment or if a motion is made to open the floor to public comment.\*



## COUNCIL PROCEEDINGS - COUNCIL CHAMBERS – KAUKAUNA, WISCONSIN – JUNE 6, 2023

Pursuant to adjournment on May 16, 2023, meeting of the Common Council of the City of Kaukauna was called to order by Mayor Penterman at 7:00 P.M. on Tuesday, June 6, 2023.

Roll call present: Antoine, Coenen (via Zoom), DeCoster, Kilgas, Moore, Schell and Thiele.

Absent & Excused: Eggleston.

Also present: Attorney Davidson, Planner Stephenson, Fire Chief Carrel, Police Chief Graff, Sen. Proj Eng. Bodoh, and interested citizens.

Motion by Moore, seconded by Kilgas to excuse the absent member.

All Ald. present voted aye.

Motion carried.

One minute of silent prayer and the Pledge of Allegiance to the American Flag observed by the assembly.

Motion by Moore, seconded by Thiele to adopt the minutes of the Common Council meeting of May 16, 2023.

All Ald. present voted aye.

Motion carried.

### PRESENTATION OF LETTERS, PETITIONS, REMONSTRANCES, MEMORIALS, AND ACCOUNTS

#### Bills Payable

Motion by Moore, seconded by Kilgas to pay bills out of the proper accounts.

All Ald. present voted aye.

Motion carried.

### PUBLIC APPEARANCES

Michael Weaver, 516 E. 14<sup>th</sup> Street Kaukauna expressed his gratitude for allowing the presentation on Memorial Day. The public presentation was successful with the help of many City Departments. Hundreds of citizens attend this ceremony.

### BUSINESS PRESENTED BY THE MAYOR

#### Public Hearing for Repealing and Replacing Section 17.21 CBD Central Business District.

Mayor Penterman declared the Public Hearing to consider the update of Section 17.21 – CBD Central Business District open and asked if anyone wished to address the council.



Mayor Penterman asked two more times if anyone in person wished to address the Council. No one appeared. The Public Hearing was declared closed.

**Swearing in of Police Officer Tobias Timm.**

Police Chief Graff gave background information on Officer Timm. He was then sworn in by Clerk Kenney and his badge was pinned on by his father.

**Appointment of Gary Wolf to the Veterans Memorial Park Association.**

Motion by Moore, seconded by Schell to appoint Gary Wolf to the Veterans Memorial Park Association.

All Ald. present voted aye.

Motion carried.

**Proclamation for Flag Day June 14, 2023.**

Mayor Penterman read the proclamation.

Motion by Thiele, seconded by Kilgas to receive and place on file the Proclamation for Flag Day June 14, 2023.

All Ald. present voted aye.

Motion carried.

**REPORTS OF STANDING AND SPECIAL COMMITTEES**

**Board of Public Works Meeting Minutes of June 5, 2023.**

**BOARD OF PUBLIC WORKS**

A meeting of the Board of Public Works was called to order by Chair Thiele on Monday, June 5, 2023 at 6:00 P.M.

Members present: Antoine, Coenen (Via Zoom), DeCoster, Kilgas, Moore, Schell, and Thiele.

Absent & Excused: Eggleston

Also present: Mayor Penterman, Attorney Davidson, DPW/Eng. Neumeier, Senior Eng. Bodoh, Planner Stephenson, Street Sup. Van Gompel, and interested citizens.

Motion by Moore, seconded by Kilgas to excuse the absent member.

All Ald. present voted aye.

Motion carried.

**1. Correspondence – none.**

**2. Discussion Topics.**

**a. Red Hills Landfill Update.**

Heath Hoffman, Landfill Manager from Ahlstrom-Munksjo stated work continues at Red Hills to reduce odors. The DNR has approved Phase 6 sequence 2, and the plan would be to start putting waste in the sequence in July or August. This sequence has the designed changes to increase the ability to remove leachate quickly. Significant progress has been made this spring on the leachate level in Phase 6, and the surface leachate on the center module. Ahlstrom-

Munksjo is working with the City of Kaukauna and the Heart of the Valley to maximize removal without causing issues with the system. Hoffman introduced Aimee McClure as the new Environmental Manager at Redhill Landfill. Questions from the Board were answered.

**b. Special Assessment Public Hearing for Project 3-23 Alley Paving.**

DPW/Eng. Neumeier gave a presentation on the project. The details discussed were the project areas, proposed assessment rates, rate history, assessment payment details and the proposed timeline for the project. Rates were published in the newspaper and letters were sent to affected property owners.

Chairperson Thiele declared the Public Hearing open and asked if anyone in the Council Chambers wished to address the Board of Public Works regarding Project 3-23 Alley Paving. Asking two more times if anyone else wished to address the Board, no one appeared, Chair Thiele declared the public hearing closed.

**c. Army Corp of Engineers - Right of Entry Approval for Parcel J/Parcel 320.**

DPW/Eng. Neumeier provided the Department of the Army Corp of Engineers Right-of-Entry for Construction agreement. The Army Corp of Engineers will be installing a fence to protect the public from contaminated soil while removing. They need permission to cross the City of Kaukauna property to do work on this site. Questions from the Board were answered.

Motion by Antoine, seconded by Schell to allow DPW/Eng. Neumeier to sign the Right of Way Approval.

All Ald. present voted aye.

Motion carried.

**d. Disposal Site Update/Discussion.**

Street Superintendent Van Gompel provided an update on the disposal site operation. As of now, 1,250 access fobs have been sold. The site currently has 4 garbage containers and 3 recycling containers. Garbage gets dumped at least 3 times a week, more if necessary. Recycling gets dumped on Mondays and Fridays. The waste oil container continues to be monitored with no problems to date. Residents continue to take the free wood chips offered. Over the last few months, garbage and recycling has been increasing. The biggest violations have been disposal of metal, disposal of construction material, dumping furniture and not breaking down boxes in the recycling container. Residents do need to sign a form stating what is accepted and what is not accepted. More signage could be used or placed in other places. The site is not staffed right now but will look at staffing the site periodically. Possibly staffing with seasonal staff on the weekend. Street Superintendent Van Gompel will discuss this option with HR. Some suggestions to improve the site are to give a warning to violators. If they continue to violate, the second violation could be to give a fine and/or to take away their access card. Attorney Davidson stated that Chapter 25 in the Municipal Code provides a provision to allow staff to fine violators in the range of \$5 to \$328. Discussion was held and questions answered.

Street Superintendent Van Gompel will continue to monitor the disposal site for the summer and come back to the Board of Public Works with recommendations.

**e. Recommendation for Award of Project 8-23: Ann Street Underground Stormwater Detention.**

After reviewing the bids received, the Engineering Department recommends awarding Project 8-23, Ann Street Underground Stormwater Detention, to DeGroot Inc., for the total bid price of \$1,007,453.96.

Motion by Moore, seconded by Schell to award bid for Project 8-23, Ann Street Underground Stormwater Detention, to DeGroot Inc., for the total bid price of \$1,007,453.96.

All Ald. present voted aye.

Motion carried.

**f. Recommendation for Award of Project 9-23: Chip Seal/Temporary Pavement Installation.**

DPW/Eng. Neumeier provided the bid tabulation for the Chip Seal/Temporary Pavement Installation. This was bid out with a couple of different options. The engineering department is recommending awarding the bid to Fahrner Asphalt for a total bid price of \$83,325.00.

Motion by Kilgas, seconded by Antoine to award Project 9-23: to Fahrners Asphalt for a total bid price of \$83,325.

All Ald. present voted aye.

Motion carried.

**g. Recommendation for Award of Project 11-23: Horseshoe Park Storm Sewer Repairs.**

The Engineering Department has compared the received bid against the Engineer's estimate. The base bid received was \$27,500 lower than the Engineer's estimate, and with the base bid and alternate item B1 bid, the total bid was within \$20,800.00 of the Engineer's estimate. These numbers, along with the uniqueness of the project indicate that the City is receiving a good price for the work being performed. The Engineer's estimate is compiled utilizing a combination of the work being performed, along with the smaller size of the project resulting in a slight increase of costs per unit. Estimated budget proposed for this project in 2022 was \$200,000.

Motion by Moore, seconded by DeCoster to award Project 11-23 Horseshoe Park Storm Sewer Repairs to Visu-Sewer, Inc. Pewaukee, WI for Unit A of the Base Bid, an amount of \$80,000.00 and Alternate Bid Unit B1, an amount of \$111,300.00 for a total bid price of \$191,300.

All Ald. present voted aye.

Motion carried.

**h. 2022 Compliance Maintenance Annual Report (CMAR) to DNR.**

Senior Project Engineer Bodoh provided background information on the report. Per Wisconsin DNR: Chapter NR 208, Wis. Adm. Code is more commonly known as the Compliance Maintenance Annual Report (CMAR) rule for publicly and privately owned domestic wastewater treatment works. The CMAR is a self-evaluation tool that promotes the owner's awareness and responsibility for wastewater collection and treatment needs, measures the performance of a wastewater treatment works during a calendar year, and assesses its level of compliance with permit requirements.

City of Kaukauna has achieved an overall grade of "A" in 2022 reporting, which requires no formal corrective actions. A Resolution acknowledging that the report has been completed and

reviewed is required and is on the Common Council agenda tomorrow. Recommended collection system response and an overall comment/action items from the Council acknowledging the need to continue improvements to City sanitary sewer collection system is being requested.

Motion by Antoine, seconded by Moore to receive and place on file the 2022 Compliance Maintenance Annual Report and recommend adoption of the "2022 Compliance Maintenance Annual Report (CMAR) Resolution" to Common Council.

All members present voted aye.

Motion carried.

#### **i. Public Works Update.**

DPW/Eng. Neumeier updated the Board on current projects. The City of Kaukauna was listed as receiving some EPA grants through Calumet Country Brownfield Development. They used some typical projects that would be eligible which included a few projects in Kaukauna. They are forming a coalition to analyze how to award these grants.

The paving project started today in the Dixon Metoxin area.

Concrete street patch will be coming up in the next couple of weeks.

City staff had a meeting today on the Dreamville project. They are looking at a mid-July date for the start of construction. A groundbreaking ceremony will be scheduled.

Thank you to the Street Department crew for all their work getting ready for the Electric City Experience. Alder Thiele thanked staff for preparing Memorial Park for the Memorial Day Ceremony.

### **3. Adjourn.**

Motion made by Moore, seconded by Kilgas to adjourn.

All members present voted aye.

Motion carried.

Meeting adjourned at 7:02 p.m.

Sally Kenney  
Clerk

Motion by Thiele, seconded by Schell to adopt the Board of Public Works Meeting Minutes of June 5, 2023, as amended.

All Ald. present voted aye.

Motion carried.

### **Health & Recreation Meeting Minutes of June 5, 2023.**

#### **HEALTH AND RECREATION COMMITTEE**

A meeting of the Health and Recreation Committee was called to order by Chair Kilgas on Monday, June 5, 2023 at 7:02 P.M.

Members present: Coenen (via Zoom), DeCoster, Kilgas and Schell.

Also present: Mayor Penterman, Ald. Antoine, Ald. Moore, Ald. Thiele, Attorney Davidson, DPW/Eng. Neumeier, Planner Stephenson, Street Sup. Van Gompel, Community Enrich. Coord. Russove and interested citizens.

### 1. Correspondence – None.

### 2. Discussion Topics.

#### a. Solicitor's License to Frank Bartow McDonald V, 12250 E. Hwy 25, Ocklawaha, FL, for the sale of Educational Resources (Books, websites, apps.).

Motion by DeCoster, seconded by Schell to approve the Solicitor's License to Frank Bartow McDonald V, 12250 E. Hwy 25, Ocklawaha, FL, for the sale of Educational Resources (Books, websites, apps.).

All members voted aye.

Motion carried.

#### b. Fireworks application submitted by G&M Fireworks, LLC for the sale of fireworks in the Piggly Wiggly parking lot, 300 E. Ann Street.

Motion by Schell, seconded by DeCoster to approve the Fireworks application submitted by G&M Fireworks, LLC for the sale of fireworks in the Piggly Wiggly parking lot, 300 E. Ann Street pending fire department inspection.

All members voted aye.

Motion carried.

#### c. Request from Brandi and Joe Bruley to hold a fund raiser at Riverside Park on July 8, 2023.

Motion by Coenen, seconded by Schell to approve the request from Brandi and Joe Bruley to hold a fund raiser at Riverside Park on July 8, 2023.

All members voted aye.

Motion carried.

#### d. Carnival License to Jennifer M. Schmitt, S & J Enterprizes, 1028 Thrush Street, Green Bay, for Electric City Experience at Hydro Park/City Parking Lot and Engineering Parking Lot on June 8, 9 & 10, 2023.

Motion by Schell, seconded by Coenen to approve the Carnival License to Jennifer M. Schmitt, S & J Enterprizes, 1028 Thrush Street, Green Bay, for Electric City Experience at Hydro Park/City Parking Lot and Engineering Parking Lot on June 8, 9 & 10, 2023.

All members voted aye.

Motion carried.

### 3. Adjourn.

Motion made by DeCoster, seconded by Schell to adjourn.

All members voted aye.

Motion carried.

Meeting adjourned at 7:12 P.M.

Sally Kenney  
Clerk

Motion by Kilgas, seconded by Thiele to adopt the Health & Recreation Meeting Minutes of June 5, 2023, as presented.  
All Ald. present voted aye.  
Motion carried.

### **Health & Recreation Meeting Minutes of June 6, 2023.**

#### **HEALTH AND RECREATION COMMITTEE**

A meeting of the Health and Recreation Committee was called to order by Chair Kilgas on Monday, June 6, 2023 at 6:49 P.M.

Members present: Coenen (via Zoom), DeCoster, Kilgas and Schell.

Also present: Mayor Penterman, Ald. Antoine, Ald. Moore, Ald. Thiele, Attorney Davidson, Police Chief Graff, Fire Chief Carrel, Planner Stephenson, Sen. Eng. Bodoh and interested citizens.

#### **1. Correspondence – None.**

#### **2. Discussion Topics.**

##### **e. Temporary Class "B" License to Kaukauna Lions Club, Hydro Park, on June 7, 14, 21, 28, July 5, 12, 19, 26, August 2, 9 & 16, 2023 for "Hydro Live".**

Motion by DeCoster, seconded by Schell to approve Temporary Class "B" License to Kaukauna Lions Club, Hydro Park, on June 7, 14, 21, 28, July 5, 12, 19, 26, August 2, 9 & 16, 2023 for "Hydro Live".  
All members voted aye.  
Motion carried.

#### **3. Adjourn.**

Motion made by DeCoster, seconded by Schell to adjourn.  
All members voted aye.  
Motion carried.

Meeting adjourned at 6:51 P.M.

Sally Kenney  
Clerk

Motion by Kilgas, seconded by Antoine to adopt the Health & Recreation Meeting Minutes of June 6, 2023, as presented.  
All Ald. present voted aye.  
Motion carried.

## **Legislative Committee Meeting Minutes of June 5, 2023.**

### **LEGISLATIVE COMMITTEE**

A meeting of the Legislative Committee was called to order by Chair Coenen on Monday, June 5, 2023 at 7:13 P.M.

Members present: Coenen (Via Zoom), Moore, and Schell.

Absent & Excused: Eggleston.

Also present: Mayor Penterman, Ald. DeCoster, Kilgas, Antoine, Thiele, Attorney Davidson, DPW/Eng. Neumeier, Planner Stephenson, Street Sup. Van Gompel and interested citizens.

Motion by Moore, seconded by Schell to excuse the absent member.

All members present voted aye.

Motion carried.

#### **1. Correspondence - None.**

#### **2. Discussion Topics.**

##### **a. Ordinance Repealing and Replacing Section 17.21 CBD Central Business District.**

Planner Stephenson stated that Staff is proposing removing Central Business District and replacing it with Business District. Central Business District is currently not in use on any property, nor does it appear on our official City zoning map. The new district would be a hybrid of industrial and commercial uses but disallows many of the harsher uses in the existing industrial district. Uses like ministorage and chemical manufacturers, among others, would not be allowed within the new district.

As the City looks to expand northward and along Highway 41. We need to be cognizant of the need for industrial land but also the need to ensure that the value of adjacent uses is not affected by industrial growth. No existing land within the City is intended for this district, rather annexations adjacent to our industrial parks and commercial centers may benefit from the flexibility of this new zone. The Central Land Company, looking to build two large facilities adjacent to Commerce Crossing, will be requesting to rezone to Business District. No other rezones are planned at this time.

Motion by Moore, seconded by Schell to recommend approval of the proposed ordinance, repealing, and replacing section 17.21 Central Business District with Section 17.21 Business District to the Common Council.

All members present voted aye.

Motion carried.

#### **3. Adjourn.**

Motion by Moore, seconded by Schell to adjourn.

All members present voted aye.

Motion carried.

Meeting adjourned at 7:18 p.m.



Sally Kenney, Clerk

Motion by Coenen, seconded by Moore to adopt the Legislative Committee Meeting Minutes of June 5, 2023 as presented.

All Ald. present voted aye.

Motion carried.

**1000 Islands Environmental Center Committee Minutes of April 20, 2023.**

Motion by Moore, seconded by DeCoster to receive and place on file the 1000 Islands Environmental Center Committee Minutes of April 20, 2023.

All Ald. present voted aye.

Motion carried.

**Grignon Mansion Board Meeting Minutes of April 24, 2023.**

Motion by Thiele, seconded by Kilgas to receive and place on file the Grignon Mansion Board Meeting Minutes of April 24, 2023.

All Ald. present voted aye.

Motion carried.

**Library Board Meeting Minutes of April 25, 2023.**

Motion by Kilgas, seconded by Thiele to receive and place on file the Library Board Meeting Minutes of April 25, 2023.

All Ald. present voted aye.

Motion carried.

**Board of Review Meeting Minutes of June 1, 2023.**

Motion by Moore, seconded by Schell to receive and place on file the Board of Review Meeting Minutes of June 1, 2023.

All Ald. present voted aye.

Motion carried.

**Operators/Bartenders License**

The following applicants have applied for an operator's license for the license year **2022-2024** and have been recommended for approval based on their record check by the police department:

Baker	Rebecca	J.	911 Silver St.	De Pere
Behm	Denise	L.	115 Lamp Lighter Dr. Apt. 10	Kaukauna
Femal	Megan	E.	419 Taylor St. Apt. 5	Kimberly
Geiger II	John	J.	623 Taylor St.	Little Chute
Henquinet	Aleana	J.	6767 Crippen St.	Greenleaf
Hietpas	Josh	W.	814 Gertrude St.	Kaukauna
Hill	Tori	R.	W224 Deering Ln.	Kaukauna
Kington	Kassi	M.	W5813 Hoelzel Way	Appleton
Ochowicz	Sarah	E.	920 Metoxen Ave.	Kaukauna
Trettin	Jaiden	R.	W749 County Rd. ZZ	Kaukauna

Motion by Kilgas, seconded by Thiele to approve the operators/bartender Licenses.

All Ald. present voted aye.

Motion carried.



## REPORTS OF CITY OFFICERS

None.

## PRESENTATION OF ORDINANCES AND RESOLUTIONS

**Resolution 2023-5388 Final Resolution Authorizing Public Improvements to Alleys Abutting Properties along East 3rd Street, West 3rd Street, East 4th Street, West 4th Street, Reaume Avenue, Main Avenue, Crooks Avenue, Island Street, Schulthies Street, Elm Street, and Oak Street.**

Motion by Moore, seconded by Antoine to suspend the rules and waive the reading of Resolution 2023-5388.

All Ald. present voted aye.

Motion carried.

Motion by Moore, seconded by Antoine to adopt Resolution 2023-5388.

All Ald. present voted aye.

Motion carried.

**Resolution 2023-5389 2022 Compliance Maintenance Annual Report (CMAR) Resolution.**

Motion by Moore, seconded by Kilgas to suspend the rules and waive the reading of Resolution 2023-5389.

All Ald. present voted aye.

Motion carried.

Motion by Moore, seconded by Antoine to adopt Resolution 2023-5389.

All Ald. present voted aye.

Motion carried.

**Resolution 2023-5390 Resolution Authorizing Mayor Penterman and Clerk Sally Kenney to enter into Storm Sewer Easement Agreement with Kaukauna Area School District on W. Ann Street.**

Motion by Moore, seconded by Kilgas to suspend the rules and waive the reading of Resolution 2023-5390.

All Ald. present voted aye.

Motion carried.

Motion by Moore, seconded by Schell to adopt Resolution 2023-5390.

All Ald. present voted aye.

Motion carried.

**Ordinance 1882-2023 Ordinance Repealing and Recreating Section 17.21 BD Business District.**

Motion by Moore, seconded by DeCoster to suspend the rules and waive the reading of Ordinance 1882-2023.

All Ald. present voted aye.

Motion carried.

Motion by Moore, seconded by Antoine to adopt Ordinance 1882-2023.

All Ald. present voted aye.

Motion carried.

## **CLOSED SESSION**

**Adjourn to Closed Session Pursuant to State Statute 19.85(1)(g) to confer with legal counsel with regard to litigation in which it is or is likely to become involved.**

Motion by Antoine, seconded by Moore to adjourn to closed session pursuant to State Statute 19.85(1)(g) to confer with legal counsel with regard to litigation in which it is or is likely to become involved.

All Ald. present voted aye.

Motion carried.

Adjourned to closed session at 7:44 p.m.

**Return to Open Session for possible action.**

Motion by Moore, seconded by Schell to return to open session for possible action.

All Ald. present voted aye.

Motion carried.

Returned to open session at 7:50 p.m.

**Adjourn to Closed Session Pursuant to State Statute 19.85(1)(e) to discuss disposition of public property - Inside the Park Place.**

Motion by Moore, seconded by Antoine to adjourn to Closed Session Pursuant to State Statute 19.85(1)(e) to discuss disposition of public property - Inside the Park Place.

All Ald. present voted aye.

Motion carried.

Adjourned to closed session at 7:51 p.m.

**Return to Open Session for possible action.**

Motion by Thiele, seconded by DeCoster to return to open session for possible action.

All Ald. present voted aye.

Motion carried.

Returned to open session at 8:05 p.m.

Motion by Moore, seconded by Thiele to authorize the acceptance of the offer to purchase for lot 7 of Inside the Park Place as presented.

All Ald. present voted aye.

Motion carried.

**Adjourn to Closed Session Pursuant to State Statute 19.85(1)(e) to discuss disposition of public property - Inside the Park Place.**

Motion by Moore, seconded by DeCoster to adjourn to Closed Session Pursuant to State Statute 19.85(1)(e) to discuss disposition of public property - Inside the Park Place.

All Ald. present voted aye.

Motion carried.

Adjourned to closed session at 8:06 p.m.

**Return to Open Session for possible action.**

Motion by DeCoster, seconded by Antoine to return to open session for possible action.

All Ald. present voted aye.

Motion carried.

Returned to open session at 8:13 p.m.

Motion by Moore, seconded by Kilgas to authorize the sale of Lot 1 and 2 from Gidget Peerenboom to Bryan Renaud/MBCR Properties LLC subject to assignment of all Development Agreement and buyback terms for Lot 1 and 2 Inside the Park Place as between the City of Kaukauna and Gidget Peerenboom to Bryan Renaud/MBCR Properties, LLC.

All Ald. present voted aye.

Motion carried.

**Adjourn to Closed Session Pursuant to 19.85(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.**

Motion by Moore, seconded by Kilgas to adjourn to Closed Session Pursuant to State Statute 19.85(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.

All Ald. present voted aye.

Motion carried.

Adjourned to closed session at 8:15 p.m.

**Return to Open Session for possible action.**

Motion by Antoine, seconded by Schell to return to open session for possible action.

All Ald. present voted aye.

Motion carried.

Returned to open session at 8:31 p.m.

Motion by Moore, seconded by Schell to authorize staff to proceed with closing with GrandStay

All Ald. present voted aye.

Motion carried

**ADJOURN**

Motion by Antoine, seconded by Kilgas to adjourn.

All Ald. present voted aye.  
Motion carried.

Meeting adjourned at 8:33 p.m.

Sally Kenney, Clerk



# Accounts Payable

## Checks for Approval

User: cnelson  
Printed: 6/2/2023 - 7:44 AM



Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
0	05/26/2023	General Fund	Facilities Rental	Wis. Dept. of Revenue - ACH PAYMENT		80.85
0	05/26/2023	General Fund	Aquatics	Wis. Dept. of Revenue - ACH PAYMENT		27.55
0	05/26/2023	General Fund	Dance	Wis. Dept. of Revenue - ACH PAYMENT		385.97
0	05/26/2023	General Fund	Gift Shop Sales	Wis. Dept. of Revenue - ACH PAYMENT		29.59
0	05/26/2023	1000 Islands	Fundraising Sales	Wis. Dept. of Revenue - ACH PAYMENT		61.92
0	05/26/2023	General Fund	Supplemental Dental/Vision Ins	Delta Dental of Wisconsin		154.16
0	05/26/2023	General Fund	Supplemental Dental/Vision Ins	Delta Dental of Wisconsin		1,275.90
0	05/26/2023	General Fund	Supplemental Dental/Vision Ins	Delta Dental of Wisconsin		313.42
119116	05/19/2023	General Fund	Contractual Services	Airgas USA, LLC		188.10
119116	05/19/2023	General Fund	Contractual Services	Airgas USA, LLC		216.18
119117	05/19/2023	General Fund	Contractual Services	City Of Appleton		780.50
119118	05/19/2023	General Fund	Medical & Laboratory Supplies	Ascension Wisconsin		34.00
119119	05/19/2023	General Fund	Adult Programs Non-Taxable	Lori Beach		18.00
119120	05/19/2023	General Fund	General Supplies	Carstens Ace Hardware		82.65
119120	05/19/2023	General Fund	Custodial Supplies	Carstens Ace Hardware		13.49
119120	05/19/2023	General Fund	Automotive Supplies	Carstens Ace Hardware		29.66
119120	05/19/2023	General Fund	Automotive Supplies	Carstens Ace Hardware		249.00
119120	05/19/2023	General Fund	Automotive Supplies	Carstens Ace Hardware		82.17
119120	05/19/2023	General Fund	Maintenance - Buildings	Carstens Ace Hardware		44.05
119120	05/19/2023	General Fund	Maintenance - Buildings	Carstens Ace Hardware		45.87
119120	05/19/2023	General Fund	Maintenance - Automotive	Carstens Ace Hardware		10.74
119120	05/19/2023	General Fund	General Supplies	Carstens Ace Hardware		17.99
119120	05/19/2023	General Fund	Maintenance - Buildings	Carstens Ace Hardware		32.52
119120	05/19/2023	General Fund	Maintenance - Roads & Walks	Carstens Ace Hardware		3.22
119120	05/19/2023	General Fund	Maintenance - Automotive	Carstens Ace Hardware		86.29
119120	05/19/2023	General Fund	Maintenance - All Other Equipm	Carstens Ace Hardware		34.18
119120	05/19/2023	General Fund	Maintenance - All Other Equipm	Carstens Ace Hardware		34.75
119120	05/19/2023	General Fund	Maintenance - Roads & Walks	Carstens Ace Hardware		6.56
119120	05/19/2023	General Fund	General Supplies	Carstens Ace Hardware		19.03
119120	05/19/2023	General Fund	Plumbing Supplies	Carstens Ace Hardware		11.67
119120	05/19/2023	General Fund	Maintenance - Buildings	Carstens Ace Hardware		25.63
119120	05/19/2023	General Fund	Maintenance - Buildings	Carstens Ace Hardware		6.82
119120	05/19/2023	General Fund	Maintenance - All Other Equipm	Carstens Ace Hardware		11.69
119120	05/19/2023	General Fund	Land & Buildings	Carstens Ace Hardware		79.17

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
119120	05/19/2023	Sanitary Sewer Utility	Maintenance - All Other Equip	Carstens Ace Hardware		4.94
119120	05/19/2023	Sanitary Sewer Utility	General Supplies	Carstens Ace Hardware		55.32
119120	05/19/2023	General Fund	Maintenance - Buildings	Carstens Ace Hardware		30.99
119120	05/19/2023	General Fund	Maintenance - Buildings	Carstens Ace Hardware		13.99
119121	05/19/2023	General Fund	Communications	Charter Communications		196.81
119122	05/19/2023	General Fund	Facilities Rental Non-Taxable	Aly Conger		200.00
119123	05/19/2023	General Fund	Adult Programs Non-Taxable	Monique Coumbe		18.00
119124	05/19/2023	Sanitary Sewer Utility	Mach Tools & Instruments	Crane Engineering		6,958.19
119125	05/19/2023	General Fund	Contractual Services	Diversified Benefit Services, Inc.		243.05
119126	05/19/2023	Streets & Sidewalk Capital	Street Improvements	Al Dix Concrete Inc.		32,800.00
119126	05/19/2023	Streets & Sidewalk Capital	Sidewalk Replacement	Al Dix Concrete Inc.		116,000.00
119126	05/19/2023	Streets & Sidewalk Capital	Sidewalk Replacement	Al Dix Concrete Inc.		8,392.50
119126	05/19/2023	Streets & Sidewalk Capital	Street Improvements	Al Dix Concrete Inc.		1,512.95
119126	05/19/2023	Streets & Sidewalk Capital	Street Improvements	Al Dix Concrete Inc.		4,747.15
119126	05/19/2023	Streets & Sidewalk Capital	Street Improvements	Al Dix Concrete Inc.		3,623.13
119126	05/19/2023	Streets & Sidewalk Capital	Street Improvements	Al Dix Concrete Inc.		1,389.33
119126	05/19/2023	Streets & Sidewalk Capital	Sidewalk Improvements	Al Dix Concrete Inc.		39,107.50
119127	05/19/2023	General Fund	Medical & Laboratory Supplies	Emergency Medical Products		1,945.15
119128	05/19/2023	General Fund	Maintenance - Buildings	Energy Control & Design, Inc.		2,730.50
119129	05/19/2023	General Fund	Library Materials	Ingram		14.65
119129	05/19/2023	General Fund	Library Materials	Ingram		61.36
119129	05/19/2023	General Fund	Library Materials	Ingram		293.55
119129	05/19/2023	General Fund	Library Materials	Ingram		2,222.56
119129	05/19/2023	Library Special Use	Misc Expenses	Ingram		17.64
119129	05/19/2023	General Fund	Library Materials	Ingram		742.55
119129	05/19/2023	Library Special Use	Misc Expenses	Ingram		65.04
119129	05/19/2023	General Fund	Library Materials	Ingram		45.49
119129	05/19/2023	General Fund	Library Materials	Ingram		175.58
119130	05/19/2023	General Fund	Rent - Equipment	James Imaging Systems, Inc.		67.24
119130	05/19/2023	General Fund	Rent - Equipment	James Imaging Systems, Inc.		107.44
119131	05/19/2023	General Fund	Office Supplies	JP Graphics		105.70
119132	05/19/2023	General Fund	Miscellaneous	Kaukauna High School		50.00
119133	05/19/2023	General Fund	Travel - City Business	Sally Kenney		63.15
119134	05/19/2023	General Fund	Miscellaneous	Kwik Trip, Inc.		129.42
119134	05/19/2023	General Fund	Miscellaneous	Kwik Trip, Inc.		17.18
119134	05/19/2023	General Fund	Miscellaneous	Kwik Trip, Inc.		119.27
119135	05/19/2023	General Fund	Data Processing Supplies	Little Chute Public Library		500.00
119136	05/19/2023	General Fund	Service Contracts	Marco		248.09
119136	05/19/2023	General Fund	Rent - Equipment	Marco		157.98
119136	05/19/2023	General Fund	Rent - Equipment	Marco		157.98
119136	05/19/2023	General Fund	Rent - Equipment	Marco		94.79
119136	05/19/2023	General Fund	Rent - Equipment	Marco		31.60
119136	05/19/2023	General Fund	Printing Expense	Marco		31.60
119136	05/19/2023	General Fund	Rent - Equipment	Marco		39.50

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
119136	05/19/2023	General Fund	Rent - Equipment	Marco		39.50
119136	05/19/2023	General Fund	Rent - Equipment	Marco		39.50
119136	05/19/2023	General Fund	Printing Expense	Marco		39.50
119136	05/19/2023	General Fund	Contractual Services	Marco		157.98
119136	05/19/2023	General Fund	Contractual Services	Marco		31.58
119136	05/19/2023	General Fund	Contractual Services	Marco		126.40
119137	05/19/2023	Sanitary Sewer Utility	Mach Tools & Instruments	MC Tools & Repair LLC		262.00
119138	05/19/2023	General Fund	Dance Non-Taxable	Laura McKee		50.00
119139	05/19/2023	Park & Pool Capital	Buildings	Daniel Meissner		1,800.00
119140	05/19/2023	General Fund	Contractual Services	Dr. Ryan T. Murphy		888.00
119141	05/19/2023	General Fund	Mach Tools & Instruments	Oshkosh Fire & Police Equipment		1,500.75
119141	05/19/2023	General Fund	General Supplies	Oshkosh Fire & Police Equipment		272.00
119142	05/19/2023	General Fund	Contractual Services	Outagamie County Public Health		119.00
119142	05/19/2023	General Fund	Contractual Services	Outagamie County Public Health		576.00
119143	05/19/2023	General Fund	Contractual Services	Outagamie County Treasurer		24,589.24
119143	05/19/2023	General Fund	Contractual Services	Outagamie County Treasurer		27,282.32
119144	05/19/2023	General Fund	Seminar Expenses	Andrew Pelot		69.40
119145	05/19/2023	General Fund	Maintenance - Buildings	Keith Petersen Plumbing Inc.		437.63
119146	05/19/2023	General Fund	Travel - City Business	Jean Semenuk		31.83
119147	05/19/2023	General Fund	Data Processing Supplies	Showcases		186.30
119147	05/19/2023	General Fund	Data Processing Supplies	Showcases		211.24
119147	05/19/2023	General Fund	Data Processing Supplies	Showcases		234.58
119148	05/19/2023	General Fund	Medical & Laboratory Supplies	Teleflex LLC		562.50
119149	05/19/2023	General Fund	Medical & Laboratory Supplies	Thedacare Laboratories		85.00
119150	05/19/2023	General Fund	Clothing Expense	The Uniform Shoppe of Green Bay, Inc.		69.95
119151	05/19/2023	Park & Pool Capital	Buildings	Unison Credit Union		652.64
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		87.15
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		0.99
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		31.20
119151	05/19/2023	Sanitary Sewer Utility	General Supplies	Unison Credit Union		31.01
119151	05/19/2023	General Fund	Mach Tools & Instruments	Unison Credit Union		829.99
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		26.70
119151	05/19/2023	General Fund	Maintenance - Buildings	Unison Credit Union		59.72
119151	05/19/2023	Storm Water Utility	General Supplies	Unison Credit Union		7.99
119151	05/19/2023	Storm Water Utility	General Supplies	Unison Credit Union		52.99
119151	05/19/2023	General Fund	Maintenance - Roads & Walks	Unison Credit Union		596.55
119151	05/19/2023	Park & Pool Capital	Buildings	Unison Credit Union		110.78
119151	05/19/2023	General Fund	Recreation	Unison Credit Union		7.91
119151	05/19/2023	General Fund	Clothing Expense	Unison Credit Union		21.95
119151	05/19/2023	General Fund	Recreation	Unison Credit Union		12.66
119151	05/19/2023	General Fund	Recreation	Unison Credit Union		44.95
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		36.50
119151	05/19/2023	General Fund	Expense Allowance	Unison Credit Union		150.00
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		12.38

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		14.97
119151	05/19/2023	General Fund	Seminar Expenses	Unison Credit Union		25.00
119151	05/19/2023	General Fund	Seminar Expenses	Unison Credit Union		25.00
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		48.98
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		13.18
119151	05/19/2023	General Fund	Contractual Services	Unison Credit Union		49.00
119151	05/19/2023	General Fund	Education & Memberships	Unison Credit Union		200.00
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		23.28
119151	05/19/2023	General Fund	Maintenance - Office Equipment	Unison Credit Union		49.99
119151	05/19/2023	General Fund	Seminar Expenses	Unison Credit Union		315.00
119151	05/19/2023	General Fund	Aminal & Bird Care	Unison Credit Union		238.57
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		221.06
119151	05/19/2023	General Fund	Seminar Expenses	Unison Credit Union		400.00
119151	05/19/2023	1000 Islands	Restricted Funds	Unison Credit Union		204.00
119151	05/19/2023	General Fund	Automotive Supplies	Unison Credit Union		20.88
119151	05/19/2023	General Fund	Programs	Unison Credit Union		41.21
119151	05/19/2023	General Fund	Aminal & Bird Care	Unison Credit Union		23.95
119151	05/19/2023	1000 Islands	Restricted Funds	Unison Credit Union		67.36
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		20.00
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		55.98
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		70.76
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		28.08
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		229.46
119151	05/19/2023	General Fund	Miscellaneous	Unison Credit Union		2.11
119151	05/19/2023	General Fund	Miscellaneous	Unison Credit Union		46.67
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		26.18
119151	05/19/2023	General Fund	Contractual Services	Unison Credit Union		195.00
119151	05/19/2023	General Fund	K9 Program	Unison Credit Union		63.13
119151	05/19/2023	General Fund	K9 Program	Unison Credit Union		63.00
119151	05/19/2023	General Fund	K9 Program	Unison Credit Union		63.00
119151	05/19/2023	General Fund	Seminar Expenses	Unison Credit Union		50.00
119151	05/19/2023	General Fund	Seminar Expenses	Unison Credit Union		303.41
119151	05/19/2023	General Fund	Evidence	Unison Credit Union		225.73
119151	05/19/2023	General Fund	Education & Memberships	Unison Credit Union		52.00
119151	05/19/2023	General Fund	Evidence	Unison Credit Union		101.90
119151	05/19/2023	General Fund	Seminar Expenses	Unison Credit Union		528.10
119151	05/19/2023	General Fund	Investigation Equipment	Unison Credit Union		242.40
119151	05/19/2023	General Fund	Miscellaneous	Unison Credit Union		56.66
119151	05/19/2023	General Fund	General Supplies	Unison Credit Union		171.00
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		149.24
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		6.49
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		29.42
119151	05/19/2023	General Fund	Communications	Unison Credit Union		698.36
119151	05/19/2023	General Fund	Contractual Services	Unison Credit Union		9.99



Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
119151	05/19/2023	General Fund	Office Supplies	Unison Credit Union		125.38
119151	05/19/2023	General Fund	Clothing Expense	Unison Credit Union		123.28
119151	05/19/2023	General Fund	Mach Tools & Instruments	Unison Credit Union		244.55
119151	05/19/2023	General Fund	Automotive Supplies	Unison Credit Union		24.97
119151	05/19/2023	General Fund	Communications	Unison Credit Union		282.20
119151	05/19/2023	Equipment Capital	Equipment	Unison Credit Union		809.90
119151	05/19/2023	General Fund	Maintenance - Automotive	Unison Credit Union		152.33
119151	05/19/2023	General Fund	Computing	Unison Credit Union		77.88
119151	05/19/2023	General Fund	Computing	Unison Credit Union		106.97
119152	05/19/2023	General Fund	Accrued 10% Fines	Timothy VanDera		259.34
119153	05/19/2023	General Fund	Travel - City Business	John VanDrunen		569.85
119154	05/19/2023	General Fund	Miscellaneous	VFW Post 3319		300.00
119155	05/19/2023	General Fund	Adult Programs Non-Taxable	Donna Wiskow		49.00
119156	05/26/2023	Buildings & Misc. Capital	Miscellaneous	ACSM Inc.		25,000.00
119157	05/26/2023	General Fund	Maintenance - Buildings	Advanced Maintenance Solutions		409.50
119157	05/26/2023	General Fund	Maintenance - Buildings	Advanced Maintenance Solutions		1,278.35
119158	05/26/2023	General Fund	Communications	AT&T Mobility		175.65
119159	05/26/2023	General Fund	Mach Tools & Instruments	Baycom Inc.		6,540.00
119160	05/26/2023	General Fund	General Supplies	Beaver of Wisconsin Inc		2,104.00
119161	05/26/2023	General Fund	Contractual Services	Bob & Dave's Lawn & Landscaping		78.00
119161	05/26/2023	General Fund	Contractual Services	Bob & Dave's Lawn & Landscaping		63.00
119161	05/26/2023	General Fund	Contractual Services	Bob & Dave's Lawn & Landscaping		63.00
119161	05/26/2023	General Fund	Contractual Services	Bob & Dave's Lawn & Landscaping		105.00
119161	05/26/2023	General Fund	Contractual Services	Bob & Dave's Lawn & Landscaping		78.00
119162	05/26/2023	General Fund	Contractual Services	Carrico Aquatic Resources		5,000.00
119163	05/26/2023	General Fund	Contractual Services	CDW Government		136.42
119163	05/26/2023	General Fund	Computing	CDW Government		294.52
119164	05/26/2023	General Fund	Desktop Printer/Fax Expense	Complete Office of Wisconsin		94.28
119164	05/26/2023	General Fund	Office Supplies	Complete Office of Wisconsin		231.40
119165	05/26/2023	Equipment Capital	Equipment	Conway Shield		385.50
119165	05/26/2023	General Fund	Clothing Expense	Conway Shield		126.50
119165	05/26/2023	Equipment Capital	Equipment	Conway Shield		566.65
119166	05/26/2023	General Fund	Due to VFW-Kaukauna Post	Creative Brick & Concrete		346.73
119167	05/26/2023	General Fund	Facilities Rental Non-Taxable	Michelle DeGroot		200.00
119168	05/26/2023	Sanitary Sewer Utility	Contractual Services	Diggers Hotline Inc.		180.58
119168	05/26/2023	Sanitary Sewer Utility	Contractual Services	Diggers Hotline Inc.		1,112.42
119169	05/26/2023	General Fund	Automotive	Eagle Sign & Design LLC		780.00
119170	05/26/2023	General Fund	Miscellaneous	Elite Rentals		2,000.00
119171	05/26/2023	General Fund	Dance Non-Taxable	Karissa Fenn		50.00
119172	05/26/2023	General Fund	Insurance Claim	Fink Auto & Recreation		1,000.00
119173	05/26/2023	General Fund	Miscellaneous	Fox Cities Party Rental		8,000.00
119174	05/26/2023	General Fund	Custodial Supplies	Fox Specialty Company LLC		111.61
119175	05/26/2023	General Fund	Rent - Equipment	James Imaging Systems, Inc.		128.57
119176	05/26/2023	General Fund	Aquatics Non-Taxable	Emily Johnson		25.00

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
119177	05/26/2023	General Fund	Maintenance - Buildings	Johnson Controls Fire Protection LP		250.00
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		1,631.90
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		4,521.93
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		3,008.19
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		98.22
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		69.80
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		201.60
119178	05/26/2023	Sanitary Sewer Utility	Water Sewer & Electric	Kaukauna Utilities		136.97
119178	05/26/2023	Storm Water Utility	Water Sewer & Electric	Kaukauna Utilities		9.00
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		1,550.59
119178	05/26/2023	Nelson Crossing Fund	Boardwalk Bridge - Utilities	Kaukauna Utilities		23.58
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		621.58
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		1,864.98
119178	05/26/2023	Industrial Park	Expenditures	Kaukauna Utilities		41.70
119178	05/26/2023	TID #5 Construction Fund	Property Acquisition	Kaukauna Utilities		107.30
119178	05/26/2023	General Fund	Water Sewer & Electric	Kaukauna Utilities		598.94
119178	05/26/2023	General Fund	Recycling Program	Kaukauna Utilities		3,177.50
119179	05/26/2023	General Fund	Tuition Assistance Program	Kory Krueger		554.20
119179	05/26/2023	General Fund	Tuition Assistance Program	Kory Krueger		554.20
119179	05/26/2023	General Fund	Seminar Expenses	Kory Krueger		-3.25
119180	05/26/2023	General Fund	Contractual Services	Linde Gas & Equipment Inc.		42.47
119181	05/26/2023	General Fund	Maintenance - Office Equipment	Marco Technologies LLC		46.74
119182	05/26/2023	Park & Pool Capital	Trails and Bridges	McMahon Associates Inc		5,154.20
119182	05/26/2023	Storm Water Utility	Contractual Services	McMahon Associates Inc		373.45
119182	05/26/2023	Park & Pool Capital	Buildings	McMahon Associates Inc		3,000.00
119182	05/26/2023	Storm Water Utility	CIP - Infrastructure	McMahon Associates Inc		4,677.00
119183	05/26/2023	General Fund	Contractual Services	Mead & Hunt		648.00
119183	05/26/2023	General Fund	Contractual Services	Mead & Hunt		1,477.50
119184	05/26/2023	General Fund	Mach Tools & Instruments	Oshkosh Fire & Police Equipment		1,560.60
119185	05/26/2023	General Fund	Insurance Claim	Packer City International Trucks, Inc.		119.29
119185	05/26/2023	General Fund	Maintenance - Automotive	Packer City International Trucks, Inc.		94.30
119185	05/26/2023	General Fund	Maintenance - Automotive	Packer City International Trucks, Inc.		638.00
119186	05/26/2023	General Fund	Miscellaneous	Ray's Sanitation		6,000.00
119187	05/26/2023	General Fund	Wellness Program	Tyler Romanesko		94.43
119188	05/26/2023	General Fund	Facilities Rental Non-Taxable	Shannon Schoen		200.00
119189	05/26/2023	General Fund	Recruitment Expenses	Screening One, Inc.		644.15
119190	05/26/2023	General Fund	Data Processing Supplies	Simplifile, LC		60.50
119191	05/26/2023	General Fund	Maintenance - All Other Equipm	Stryker Sales Corporation		1,071.32
119192	05/26/2023	Storm Water Utility	Contractual Services	Wis. Dept. of Natural Resources		3,000.00
119193	05/30/2023	General Fund	Expense Allowance	Jennie Eggleston		50.00
119194	05/30/2023	General Fund	Expense Allowance	Terry Verbeten		50.00
119195	05/31/2023	Sanitary Sewer Utility	Contractual Services	AT&T		258.08
119196	05/31/2023	General Fund	Travel - City Business	Megan Brouch		20.31
119197	05/31/2023	General Fund	Conservancy Zone Maint	Capital One Commercial		56.86

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
119197	05/31/2023	General Fund	General Supplies	Capital One Commercial		28.82
119197	05/31/2023	General Fund	Maintenance - Buildings	Capital One Commercial		33.80
119197	05/31/2023	General Fund	General Supplies	Capital One Commercial		55.79
119197	05/31/2023	General Fund	Maintenance - Buildings	Capital One Commercial		162.49
119197	05/31/2023	General Fund	Dog Park Supplies	Capital One Commercial		91.54
119197	05/31/2023	General Fund	Maintenance - Buildings	Capital One Commercial		22.93
119197	05/31/2023	General Fund	Maintenance - Buildings	Capital One Commercial		25.92
119197	05/31/2023	General Fund	Maintenance - Buildings	Capital One Commercial		22.99
119198	05/31/2023	General Fund	Travel - City Business	Cardmember Service		22.64
119198	05/31/2023	General Fund	Contractual Services	Cardmember Service		125.67
119198	05/31/2023	General Fund	Advertising	Cardmember Service		57.85
119198	05/31/2023	General Fund	Office Supplies	Cardmember Service		487.33
119198	05/31/2023	General Fund	Desktop Printing Expense	Cardmember Service		398.63
119198	05/31/2023	General Fund	Data Processing Supplies	Cardmember Service		372.41
119198	05/31/2023	General Fund	Postage	Cardmember Service		45.21
119198	05/31/2023	General Fund	Library Materials	Cardmember Service		1,069.82
119198	05/31/2023	General Fund	Service Contracts	Cardmember Service		75.00
119198	05/31/2023	General Fund	Library Programs	Cardmember Service		74.29
119198	05/31/2023	General Fund	Miscellaneous	Cardmember Service		77.78
119198	05/31/2023	Library Special Use	Misc Expenses	Cardmember Service		586.17
119199	05/31/2023	General Fund	Library Materials	Cavendish Square		204.44
119200	05/31/2023	General Fund	Computing	CDW Government		34.20
119200	05/31/2023	General Fund	Office Equipment	CDW Government		68.21
119201	05/31/2023	General Fund	Communications	Cellcom		85.34
119201	05/31/2023	General Fund	Communications	Cellcom		31.21
119201	05/31/2023	General Fund	Communications	Cellcom		971.18
119201	05/31/2023	General Fund	Communications	Cellcom		31.21
119201	05/31/2023	General Fund	Communications	Cellcom		74.88
119201	05/31/2023	General Fund	Communications	Cellcom		65.00
119201	05/31/2023	General Fund	Communications	Cellcom		120.72
119201	05/31/2023	General Fund	Communications	Cellcom		62.42
119201	05/31/2023	General Fund	Communications	Cellcom		31.21
119202	05/31/2023	General Fund	Seminar Expenses	Erich Weidner Consulting LLC		150.00
119203	05/31/2023	General Fund	Miscellaneous	Heart of The Valley Chamber Of Commerce		1,000.00
119204	05/31/2023	General Fund	Library Materials	Ingram		470.53
119204	05/31/2023	General Fund	Library Materials	Ingram		323.49
119204	05/31/2023	General Fund	Library Materials	Ingram		55.74
119204	05/31/2023	General Fund	Library Materials	Ingram		146.98
119204	05/31/2023	General Fund	Library Materials	Ingram		113.49
119204	05/31/2023	General Fund	Library Materials	Ingram		5.89
119204	05/31/2023	General Fund	Library Materials	Ingram		24.90
119204	05/31/2023	General Fund	Library Materials	Ingram		389.17
119204	05/31/2023	General Fund	Library Materials	Ingram		45.80
119205	05/31/2023	General Fund	Office Supplies	Insta Prints Plus, Inc.		17.92

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
119205	05/31/2023	General Fund	Office Supplies	Insta Prints Plus, Inc.		17.92
119205	05/31/2023	General Fund	Recruitment Expenses	Insta Prints Plus, Inc.		101.26
119206	05/31/2023	General Fund	Maintenance - Office Equipment	Marco		64.46
119207	05/31/2023	General Fund	Travel - City Business	Sarah Miller		80.56
Report Total:						414,699.58

## Christina Nelson

---

**From:** Jaime Schmitt <jaimleeschmitt@gmail.com>  
**Sent:** Wednesday, June 14, 2023 3:16 PM  
**To:** Tony Penterman; John Moore  
**Cc:** Dave  
**Subject:** Re: 3425 Fieldcrest Drive Kaukauna Damage

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hello Again,

I spoke with Superior Exteriors and explained the situation and they will honor their original quote of \$14,920.

Thank you!  
 Jaime Schmitt

On Mon, Jun 12, 2023 at 11:01 AM Jaime Schmitt <[jaimleeschmitt@gmail.com](mailto:jaimleeschmitt@gmail.com)> wrote:  
 Hello Mayor Tony Penterman and Council President John Moore,

I am reaching out to you as our home was damaged on May 10th during a controlled burn by the Kaukauna Fire Department on the wetlands lot next to our property.

I've attached the report from Joe Resch that describes the event and their actions.

The result of this controlled burn is that our siding on the northside of our home is melted and damaged. Joe initiated a claim with the city's insurance. After two weeks of not hearing anything from the insurance company, I reached out to Joe and he pushed the insurance company to reach out to me.

Once the insurance company reached out to me, they told me to get quotes for the damage. I sent in 4 quotes to the insurance company. (Also attached) They ranged from \$18k-24k. One of the contractors, Superior Exteriors, offered discounts that brought the cost down to \$15k if we signed by June 10th. A week after I sent in the quotes, I had to call the insurance company to get a response. They then told me that they would need to send out a claims adjuster, further delaying the process. (This should have been done before I was told to get quotes). Meanwhile, one of the discounts that Superior Exteriors was offering expired on June 10th.

The insurance adjuster assessed the damage at \$3900 and then depreciated it down to \$3,000. The claims specialist with the insurance company offered the full \$3,900 as we were upset that this would not cover the damage. \$3,900 also does not cover the damage. The insurance adjuster for the city informed us and the insurance company that our siding and color are obsolete and that our house will not match. The city's insurance company refuses to budge from the \$3,900 to cover the cost of residing the house.

Prior to this accident, our siding matched. I understand that only a portion of the house was damaged, however, we would like our home returned back to the prior state before the damage caused by the city. Our house matched prior to the controlled burn and we would like it to match afterwards. We have been willing to work with the city and take the lowest of the bids versus the more expensive contractors. We hope this shows good faith and that we are not out to get free siding at the expense of the city and our fellow taxpayers. We are asking for the city to help us repair our house to its previous state prior to this incident. Had we damaged our house, we would expect to pay for the damage

ourselves but, this was not our fault and out of our control. We do not have a say in what the prescribed care is for the lot next to us and should not be out funds or property value for damage caused by the city.

If the contract with Superior Exteriors is signed by 7/10, the cost is \$16,785. Subtracting what the city's insurance is offering (3,900) brings the difference to \$12,885. We are asking the city to cover the total cost of the repairs through whatever means necessary to resolve this situation.

We would like to share that we are not angry with the fire department, accidents happen and we understand that. However, we would appreciate accountability being taken in this situation and our house being restored to it's previous state, complete with matching siding.

We are asking for this topic to be included in the June 20th council meeting. We look forward to reaching a fair and equitable solution for both the city and ourselves.

Thank you for your time,

Jaime and David Schmitt

# Superior Exteriors

1111 N. Lynndale Dr. Appleton 54914

920-212-1334

Item 5.a.

## Schmitt Estimate

3425 Fieldcrest Dr

Kaukana, WI 54130

### SIDING REPLACEMENT

26 squares plus waist

Remove existing vinyl siding and prep surface, inspect sheathing

Existing shake will remain

Install premium house wrap, create vapor barrier

Install Premium vinyl siding system In customer choice of any color or style

Including all flashings

Thorough clean-up daily with final magnetic sweep of property to ensure safety of animals and children

Includes Lifetime (50-year) transferable warranty

Project totals: \$ 18,650

Project duration: less than one week

Available discounts;

37th Anniversary sale = 10% off until July 15th, 2023. \$1865

Signing Bonus = Additional 10% off with a signed contract before June 10th, 2023. \$1865

DISCOUNTED TOTAL: \$14,920



# MEMO

## Finance

To: Common Council  
From: Finance Director (William Van Rossum)  
Date: 6/20/2023  
Re: Presentation of the 2022 Audited Financial Statements

I am pleased to report that the hard work and dedication of our City staff have yielded commendable results, allowing us to adhere to the budget plan we had put in place for 2022.

In the face of numerous uncertainties and challenges that lay ahead of us at the beginning of 2022, City staff navigated through them skillfully, ensuring that our financial position remained stable and aligned with our budget goals. The efforts put forth by our staff demonstrate their commitment to fiscal responsibility and effective financial management.

We have engaged the professional services of Amber Drewieske from CLA (CliftonLarsonAllen LLP) to perform the annual audit, provide a formal presentation, and deliver their opinion on the 2022 financials. Their expertise and independent evaluation will further validate the accuracy and reliability of our financial statements.

I would like to extend my gratitude to the City Council for their ongoing support and trust in our financial management endeavors. The successful outcome of the 2022 financial statements is a testament to our collective efforts and the collaboration between the Council and our dedicated staff.

Upon the completion of Amber Drewieske's presentation, I kindly request the Council's consideration of a motion to receive and place the 2022 Financial Statements on file.

Please find attached the draft report, which will be presented in its final format during the meeting. If the final report is completed before our Tuesday night meeting, I will promptly send it to you via email.



**CITY OF KAUKAUNA, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

Preliminary Draft -  
Internal Discussions Only,  
Subject to Change

**CITY OF KAUKAUNA, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>4</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>9</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
STATEMENT OF NET POSITION	17
STATEMENT OF ACTIVITIES	18
<b>FUND FINANCIAL STATEMENTS</b>	
BALANCE SHEET — GOVERNMENTAL FUNDS	19
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS	21
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE — BUDGET AND ACTUAL — GENERAL FUND	23
STATEMENT OF NET POSITION — PROPRIETARY FUNDS	24
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION — PROPRIETARY FUNDS	26
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS	27
STATEMENT OF NET POSITION — FIDUCIARY FUND	29
STATEMENT OF CHANGES IN NET POSITION — FIDUCIARY FUND	30
NOTES TO BASIC FINANCIAL STATEMENTS	31
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) — WISCONSIN RETIREMENT SYSTEM	81
SCHEDULE OF CONTRIBUTIONS — WISCONSIN RETIREMENT SYSTEM	81
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS	82
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) — LOCAL RETIREE LIFE INSURANCE FUND	83

**CITY OF KAUKAUNA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

<b>SCHEDULE OF CONTRIBUTIONS — LOCAL RETIREE LIFE INSURANCE FUND</b>	<b>83</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>84</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS</b>	<b>87</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — NONMAJOR GOVERNMENTAL FUNDS</b>	<b>91</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE — BUDGET AND ACTUAL — DEBT SERVICE FUND</b>	<b>95</b>
<b>ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>97</b>
<b>SCHEDULE OF FINDINGS AND RESPONSES</b>	<b>99</b>

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council  
City of Kaukauna  
Kaukauna, Wisconsin

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kaukauna, Wisconsin (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Kaukauna Utilities Fund, which represents 78%, 79%, and 92% of the assets, net position, and revenues respectively, of the City of Kaukauna's business-type activities as of December 31, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kaukauna Utilities Fund of the City of Kaukauna, are based solely on the reports of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and City Council  
City of Kaukauna, Wisconsin

### ***Emphasis of Matter***

As discussed in Note 1.H. to the financial statements, effective January 1, 2022, the City adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

To the Honorable Mayor and City Council  
City of Kaukauna, Wisconsin

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pension and OPEB as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The nonmajor governmental fund combining statements and debt service fund budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the nonmajor governmental fund combining statements and debt service fund budgetary comparison schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

To the Honorable Mayor and City Council  
City of Kaukauna, Wisconsin

**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
REPORT DATE

Preliminary Draft -  
Internal Discussions Only,  
Subject to Change

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Preliminary Draft -  
Internal Discussions Only,  
Subject to Change



**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

The management of the City of Kaukauna offers all readers of the City's financial statements this narrative overview and analysis of the financial statements of the City for the fiscal year ended December 31, 2022. You are encouraged to read this narrative in conjunction with the City's financial statements.

**FINANCIAL HIGHLIGHTS**

- The City's total net position increased by \$6,641,615 to \$151,142,675; net position of governmental activities increased \$3,304,622 to \$41,171,943 while business type activities net position increased \$3,336,993 to \$109,970,732.
- Total fund balance in governmental funds as of December 31, 2022 is \$14,877,110. Of this balance, \$72,988 is nonspendable, \$7,158,143 is restricted for debt service and donations, \$7,935,614 is committed for improvements, equipment and redevelopment, \$410,000 is assigned to subsequent years' budgets, and unassigned has a negative balance of \$699,635.
- General fund's total fund balance decreased \$61,402 or 0.40%. The fund balance decrease is due in part to a decrease in ambulance service revenue. There were also a few revenue lines that did not meet the budgeted amount. Staff was able to hold most expenditures close to the budgeted amounts during the year and many came in under the budgeted amount making up for some of the missed revenue.
- General fund revenues and operating transfers in for 2022 were over budget by \$295,715. Overall General fund expenditures and operating transfers out for 2022 were over budget by \$329,492 or 2.14% overall. Most expenditures were under budget primarily because of cost control measures in general government, public works, culture and recreation, and nondepartmental. Public safety and health and welfare came in under budget.
- At the end of 2022, total fund balance for the general fund is \$5,151,437. The unassigned portion of fund balance \$4,668,449 increased \$231,974 or 5.2%, and it is equal to 30.27% of 2022 budgeted general fund expenditures.
- The City's outstanding general obligation debt increased \$1,260,000 from \$49,115,000 to \$50,375,000 for the fiscal year ended December 31, 2022. The city borrowed more general obligated debt in 2022 than it retired. This was primarily due to the large Street construction capital project and new Streets, Parks improvement including Grignon, Nickels, and Bluestem.
- The City's outstanding revenue bonds increased \$6,500,000 from \$78,315,000 to \$84,815,000 for the fiscal year ended December 31, 2022.
- Kaukauna Utility's net position increased \$3,229,402 or 3.87% in 2022 as compared to 2021. This increase is in large part due to some favorable nonoperating expenses in addition to an increase in operating revenue.

**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

- Kaukauna Utility's cash and cash equivalents decreased \$1,141,381 in 2022. Most cash flow activities remained the same when compared to 2020. The decrease mentioned above is primarily from previously borrowed long term debt proceeds being spending on capital projects in 2022.

**Government-Wide Financial Statements** - Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner like a private-sector business. The government-wide statements are made up of the statement of net position and the statement of activities.

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This means, some revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from those functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities (those supported primarily by taxes and intergovernmental revenues) of the City include general government; public safety; public works; health and welfare; culture and recreation; conservation and development, and non-departmental. The business-type activities (those supported by user fees) are Kaukauna Utilities (electric and water utilities), Sanitary Sewer Utility and Storm Water Utility.

The government-wide financial statements can be found on pages 17 to 18 of this report.

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific purposes or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** - Governmental funds are used to account for the same activities as governmental activities in the government-wide financial statements; however, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison may help readers better understand the long-term impact of a government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintained 34 individual governmental type funds during 2022. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance sheet for the general fund and debt service fund, which are considered major funds. Data from the remaining 32 governmental type funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the combining statements found later in this report.

The City adopts annual appropriation budgets for several funds. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 19 to 23 of this report.

**Proprietary Funds** - Enterprise funds are used to report the functions of the Kaukauna Utilities, storm water utility, and sanitary sewer utility are presented as business-type activities in the government-wide financial statements. Individual fund data for enterprise funds is provided later in this report.

The basic proprietary fund financial statements can be found on pages 24 to 28 of this report.

**Notes To The Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 to 77 of this report.

**Supplementary Information** - The combining statements referring to non-major governmental funds is presented immediately following the required supplementary information. Required supplementary information and supplementary combining and individual fund statements and schedules can be found on pages 79 to 92 of this report.

**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As discussed earlier, net position over time, serve as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the City exceed liabilities and deferred inflows of resources for total net position of \$151,486,372 at year-end December 31, 2022.

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
Current and Other Assets	\$ 48,304,791	\$ 43,653,542	\$ 48,348,909	\$ 39,661,072	\$ 96,653,700	\$ 83,314,614
Capital Assets	83,757,510	80,160,194	161,885,274	159,320,729	245,642,784	239,480,923
Total Assets	<u>132,062,301</u>	<u>123,813,736</u>	<u>210,234,183</u>	<u>198,981,801</u>	<u>342,296,484</u>	<u>322,795,537</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Loss on Advance Refunding	-	-	-	663,636	-	663,636
Related to Pension	9,956,387	6,468,941	5,056,646	3,360,810	15,013,033	9,829,751
Related to OPEB	1,254,068	1,092,203	360,359	341,204	1,614,427	1,433,407
Total Deferred Outflows of Resources	<u>11,210,455</u>	<u>7,561,144</u>	<u>5,417,005</u>	<u>4,365,650</u>	<u>16,627,460</u>	<u>11,926,794</u>
<b>LIABILITIES</b>						
Noncurrent Liabilities	68,868,048	65,729,502	91,326,749	55,470,146	160,194,797	121,199,648
Other Liabilities	3,838,815	3,545,572	8,036,363	36,596,528	11,875,178	40,142,100
Total Liabilities	<u>72,706,863</u>	<u>69,275,074</u>	<u>99,363,112</u>	<u>92,066,674</u>	<u>172,069,975</u>	<u>161,341,748</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	16,590,001	14,897,735	-	-	16,590,001	14,897,735
Related to Pension	11,981,428	8,531,865	6,099,647	4,438,457	18,081,075	12,970,322
Related to OPEB	822,521	802,885	217,697	208,581	1,040,218	1,011,466
Total Deferred Inflows of Resources	<u>29,393,950</u>	<u>24,232,485</u>	<u>6,317,344</u>	<u>4,647,038</u>	<u>35,711,294</u>	<u>28,879,523</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	24,973,910	24,148,669	73,651,202	76,405,373	98,625,112	100,554,042
Restricted	12,019,816	10,490,737	\$ 10,002,919	9,407,443	22,022,735	19,898,180
Unrestricted	4,178,217	3,227,915	26,316,611	20,820,923	30,494,828	24,048,838
Total Net Position	<u>\$ 41,171,943</u>	<u>\$ 37,867,321</u>	<u>\$ 109,970,732</u>	<u>\$ 106,633,739</u>	<u>\$ 151,142,675</u>	<u>\$ 144,501,060</u>

**Management's Analysis**

By far the largest portion of the City's total net position, \$105,743,591 or 69.96%, is its investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure), less any related outstanding indebtedness used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's total net position, \$23,042,279 or 15.25% represents resources that are subject to restrictions regarding their use. The remaining balance of unrestricted net position, \$22,356,805 or 14.79% may be used to meet the government's ongoing obligations to creditors and provide services to its citizens.

Business-type activities total net position increased by \$3,336,993 to \$109,970,732 in 2022, an increase of 3.13%, primarily due to favorable revenue and expense budget outcomes.

**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

At the end of the current fiscal year, the City can report growth in total net position for governmental activities, and positive balances in all categories of net position for governmental activities as well as for business-type activities.

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 2,257,291	\$ 2,021,191	\$ 63,535,404	\$ 56,985,289	\$ 65,792,695	\$ 59,006,480
Operating Grants and Contributions	1,673,873	1,850,554	-	-	1,673,873	1,850,554
Capital Grants Cnd contributions	1,252,215	2,570,630	785,383	1,361,847	2,037,598	3,932,477
General Revenues						
Property Taxes	12,188,143	11,307,342	-	-	12,188,143	11,307,342
Sales Tax	194,615	176,375	-	-	194,615	176,375
Other Taxes	263,065	256,252	-	-	263,065	256,252
State and Federal Aids not Restricted to Specific Functions	2,795,197	2,655,185	-	-	2,795,197	2,655,185
Interest and Investment Earnings	515,767	134,123	444,974	378,886	960,741	513,009
Gain on Sale of Capital Assets	-	17,046	-	-	-	17,046
Miscellaneous Revenues	1,191,522	288,864	-	-	1,191,522	288,864
Total	<u>22,331,688</u>	<u>21,277,562</u>	<u>64,765,761</u>	<u>58,726,022</u>	<u>87,097,449</u>	<u>80,003,584</u>
<b>EXPENSES</b>						
General Government	2,946,636	2,634,223	-	-	2,946,636	2,634,223
Public Safety	6,551,493	6,165,009	-	-	6,551,493	6,165,009
Public Works	5,383,908	5,580,435	-	-	5,383,908	5,580,435
Health and Human Services	4,536	7,751	-	-	4,536	7,751
Culture and Recreation	3,214,710	2,515,576	-	-	3,214,710	2,515,576
Development	1,848,708	328,559	-	-	1,848,708	328,559
Interest on Debt	1,334,675	1,520,282	-	-	1,334,675	1,520,282
Electric Utility	-	-	50,989,814	45,900,745	50,989,814	45,900,745
Water Utility	-	-	3,423,593	3,356,623	3,423,593	3,356,623
Storm Water Utility	-	-	1,143,552	608,757	1,143,552	608,757
Sanitary Sewer Utility	-	-	3,614,209	2,881,149	3,614,209	2,881,149
Total Expenses	<u>21,284,666</u>	<u>18,751,835</u>	<u>59,171,168</u>	<u>52,747,274</u>	<u>80,455,834</u>	<u>71,499,109</u>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS</b>	<u>1,047,022</u>	<u>2,525,727</u>	<u>5,594,593</u>	<u>5,978,748</u>	<u>6,641,615</u>	<u>8,504,475</u>
<b>TRANSFERS</b>	<u>2,257,600</u>	<u>2,551,846</u>	<u>(2,257,600)</u>	<u>(2,551,846)</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>3,304,622</u>	<u>5,077,573</u>	<u>3,336,993</u>	<u>3,426,902</u>	<u>6,641,615</u>	<u>8,504,475</u>
<b>BEGINNING NET POSITION</b>	<u>37,867,321</u>	<u>32,789,748</u>	<u>106,633,739</u>	<u>103,206,837</u>	<u>144,501,060</u>	<u>135,996,585</u>
<b>ENDING NET POSITION</b>	<u>\$ 41,171,943</u>	<u>\$ 37,867,321</u>	<u>\$ 109,970,732</u>	<u>\$ 106,633,739</u>	<u>\$ 151,142,675</u>	<u>\$ 144,501,060</u>

The increase in net position for governmental activities for year ended December 31, 2022 was at 28.15% compared to previous years increase in net position of 30.25% for year ended December 31, 2020. Current year activity increased net position by \$3,648,319.

Business-type activities growth in net position for year ended December 31, 2022 was 2.62% compared with 3.32% for year ended December 31, 2021. Management expects growth to continue at a modest rate especially for business-type activities.

Business-type activities revenue increased \$6,039,739 or 10.28% and expenses increased \$6,450,958 or 12.23% during 2022 primarily due to increased customer demand in the business-type activities.



**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

**Debt and Debt Management**

	Outstanding 1/1/2022	Issued in 2022	Retired in 2022	Outstanding 12/31/2022	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
General Obligation Notes	\$ 39,214,522	\$ 6,000,000	\$ 3,834,520	\$ 41,380,002	\$ 4,075,000
General Obligation Bonds	8,999,998	-	665,000	8,334,998	790,000
Lease Liability	1,762,800	-	126,868	1,635,932	128,143
Taxable Redevelopment Lease					
Revenue Bonds	8,075,000	-	425,000	7,650,000	425,000
Premium	1,455,066	292,346	262,310	1,485,102	-
Compensated Absences	608,631	71,959	-	680,590	170,148
Total Governmental Activities Debt	<u>\$ 60,116,017</u>	<u>\$ 6,364,305</u>	<u>\$ 5,313,698</u>	<u>\$ 61,166,624</u>	<u>\$ 5,588,291</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
General Obligation Notes	\$ 900,480	\$ -	\$ 240,480	\$ 660,000	\$ 180,000
Revenue Bonds	78,315,000	17,235,000	10,735,000	84,815,000	4,870,000
Premium	4,374,269	-	506,744	3,867,525	-
Compensated Absences	16,335	-	5,616	10,719	-
Total Business-Type Activities Debt	<u>\$ 83,606,084</u>	<u>\$ 17,235,000</u>	<u>\$ 11,487,840</u>	<u>\$ 89,353,244</u>	<u>\$ 5,050,000</u>

**Management's Analysis**

Overall, long-term obligations increased from \$141,959,301 in 2021 to \$148,883,935 in 2022. Governmental activities outstanding debt increased \$1,177,475 or 2.02%. Whereas the business-type activities outstanding debt increased \$5,747,159 or 6.87%. All general obligation notes and bonds are scheduled to be paid off within ten (10) years and all the revenue bonds are scheduled to be paid off within twenty-five (25) years.

The City has maintained its current Standard & Poor's general obligation bond rating of AA- for the past several years. The current outstanding general obligation bonds and notes of \$50,375,000 is 68.85% of the statutory limit for cities in the State of Wisconsin.

The City's five-year capital improvement plan anticipates general obligation borrowing of approximately \$5,000,000 per year for the next five (5) years.

**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

**FINANCIAL ANALYSIS OF THE GOVERNMENTS' FUNDS**

As indicated earlier, the City uses fund accounting to ensure and demonstrate compliance with budgetary finance-related legal requirements.

**General Fund Budgetary Analysis**

	Final Budget 2022	Actual 2022	Budget Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 6,731,153	\$ 6,738,557	\$ 7,404
Intergovernmental	4,227,711	4,259,847	32,136
Licenses and Permits	403,400	464,042	60,642
Fines and Forfeits	123,000	95,939	(27,061)
Changes for Services	947,700	1,164,046	216,346
Other	58,500	219,364	160,864
Transfers In	2,850,216	2,695,600	(154,616)
Total Revenues	<u>15,341,680</u>	<u>15,637,395</u>	<u>295,715</u>
<b>EXPENDITURES</b>			
General Government	2,475,919	2,418,916	57,003
Public Safety	6,703,818	6,883,716	(179,898)
Public Works	3,613,088	3,545,824	67,264
Health and Welfare	2,500	4,536	(2,036)
Culture and Recreation	2,108,147	1,919,460	188,687
Nondepartmental	848,208	448,678	399,530
Debt Service	-	143,916	(143,916)
Transfers Out	-	57,142	(57,142)
Total Expenditures	<u>15,751,680</u>	<u>15,422,188</u>	<u>329,492</u>
Net Change in Fund Balance	<u>\$ (410,000)</u>	<u>\$ 215,207</u>	<u>\$ 625,207</u>

**Management's Analysis**

The 2022 general fund budget to actual comparison is showing a surplus of \$625,207. The increase is due to increase in recreation revenues with the moving forward from COVID-19 protocols, and increased interest revenue, in combination with budget savings in expenditures throughout.

**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

**Debt Service Fund Budgetary Analysis**

	Final Budget 2022	Actual 2022	Budget Variance Positive (Negative)
REVENUES			
Taxes	\$ 3,783,090	\$ 3,783,090	\$ -
Total Revenues	<u>3,783,090</u>	<u>3,783,090</u>	<u>-</u>
EXPENDITURES			
Debt Service Principal	4,924,520	4,924,520	-
Debt Service Interest	1,433,775	1,575,031	(141,256)
Total Expenditures	<u>6,358,295</u>	<u>6,499,551</u>	<u>(141,256)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(2,575,205)</u>	<u>(2,716,461)</u>	<u>(141,256)</u>
OTHER FINANCING SOURCES			
Premium on Debt Issued	348,293	292,346	(55,947)
Transfers in	2,228,363	2,228,363	-
Total Other Financing Sources	<u>2,576,656</u>	<u>2,520,709</u>	<u>(55,947)</u>
Net Change in Fund Balance	<u>\$ 1,451</u>	<u>\$ (195,752)</u>	<u>\$ (197,203)</u>

**Management's Analysis**

Management takes a conservative approach to budgeting for special assessments. Special assessment projects are funded from the proceeds of long-term borrowing and from resources available in the special assessment fund. The specific projects and the timing of the repayment by individual property owners to repay the assessments vary from year to year. Special assessment funds are transferred into the debt service fund in an amount that approximates the debt services requirement for debt incurred to fund special assessment projects.



**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

## **GOVERNMENTAL FUNDS**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. Note how unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2022, the City's governmental funds reported combined year ending fund balance of \$14,877,110, a decrease of \$61,402 for the calendar year 2022. Of the total fund balance, the unassigned fund balance is a negative \$699,635, which is ordinarily available for spending at the City's discretion. The remainder of fund balance is not available because it is designated as follows:

- Nonspendable, \$72,988
- Restricted for debt service and donations, \$7,158,143
- Committed, \$7,935,614
- Assigned, \$410,000

### **Fund Balance Analysis – General Fund**

The total general fund balance increased from \$4,936,230 at calendar year end 2021 to \$5,151,437 for calendar year end 2022. The city council adopted a policy in 2010 to maintain the fund balance at 15% of the operating budget. Fifteen percent of the 2022 operating budget is \$2,601,658. The unassigned general fund balance as of December 31, 2022 was \$5,151,437. The year-end fund balance for 2022 follows the policy that was established in 2010. As a measure of the general fund's liquidity, it is useful to compare both unassigned and total fund balance to budgeted expenditures for 2022. Unassigned fund balance equals 27.03% of budgeted expenditures while total fund balance represents 29.70% of budgeted expenditures for 2022.

### **Fund Balance Analysis – Debt Service Fund**

The debt service fund balance has a balance of \$5,490,495 at year-end 2022, which primarily represents amounts due from other funds. Going forward, the debt service fund is expected to have no balance at yearend except for an amount equal to due from other funds.

### **Fund Balance Analysis – Special Revenue Funds**

The combined non-major special revenue funds have a calendar year-end 2022 fund balance of \$2,439,873. The combined fund balance for special revenue funds increased \$74,656 for calendar year ended.

### **Fund Balance Analysis – Capital Project Funds**

The combined nonmajor capital project funds have a calendar year end 2022 surplus fund balance of \$1,795,305. The ongoing capital funds surplus is due to timing of borrowed funds being spent. Tax Incremental Districts (TID) 1, 5, 9, and 10 have a deficit, while TID 4, 6 and 8 have a surplus. However, there has been new development within TID5, TID6 and TID 10 that will give the tax incremental districts a boost in increment dollars. The intent is to ensure all districts are at a net balance of zero at the time the district close.

**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

## POPRIETARY FUNDS

### Net Position Analysis – Stormwater Utility

Unrestricted net position of the Stormwater Utility at the end of the year amounted to \$2,138,253. The total decrease in net position was \$186,029.

### Net Position Analysis – Sanitary Sewer Utility

Unrestricted net position of the Sanitary Sewer Utility at the end of the year amounted to \$3,001,202. The total decrease in net position was \$428,666.

### Capital Assets and Debt Administration

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, net of accumulated depreciation is \$245,642,784. Governmental activities capital assets increased in 2022 by 3,597,316 from \$80,160,194 to \$83,757,510. The increase is because of the construction/remodel of the street improvements, etc. The net increase of \$2,564,545 in business-type activities capital assets from \$159,320,729 to \$161,885,274 for the calendar year ended 2022 is result of investment in ongoing system improvements.

## ECONOMIC FACTORS

The City of Kaukauna, Wisconsin benefits from its location in the Fox River Valley. Located south of Green Bay, the city benefits from its favorable location in the Fox River Valley. From 2009 - 2022, the City's tax base, which currently stands at \$1.46 Billion (see following schedule), averaged a 3.69% annual increase; however, the decrease over five years (2009 – 2013) averages 0.74% per year. Management believes that tax base growth, which has historically been driven by residential and commercial construction, will increase consistently in the near term. Over the past five years (2018 - 2022), the city saw an average increase of 8.22%.

Ahlstom (a.k.a Thilmany), the City's largest employer and largest taxpayer poses some risk to the local economy. However, this concern is mitigated by the City's proximity to numerous employment opportunities located throughout the Fox River Valley and the decreasing assessed value Thilmany relative to the City's overall assessed value over the past several years.

Assessment Year	Equalized Value Including TID's	% Change	Equalized Value Excluding TID's	% Change
2022	\$ 1,463,310,100	11.33 %	\$ 1,380,840,000	13.07 %
2021	1,314,411,300	8.78	1,221,182,000	8.04
2020	1,208,319,100	4.72	1,130,278,300	3.02
2019	1,153,840,300	6.01	1,097,194,600	6.05
2018	1,088,457,300	5.88	1,034,627,000	5.50
2017	1,027,973,700	4.12	980,725,200	3.79
2016	987,250,900	4.48	944,893,400	4.50
2015	944,939,000	2.38	904,221,100	1.06
2014	922,944,000	3.00	894,717,600	2.39
2013	896,096,700	(0.25)	873,869,600	(0.26)
2012	898,369,100	(3.63)	876,128,200	(3.64)
2011	932,227,600	(0.34)	909,241,100	(0.56)
2010	935,396,400	1.25	914,342,300	1.66
2009	923,842,800		899,406,800	

**CITY OF KAUKAUNA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

Standard & Poor's, which currently has the City's debt rated at AA-, supported by very strong budgetary flexibility, very strong liquidity, strong budgetary performance, strong management, adequate economy and very weak debt and contingent liability position tempered by the City's participation in the deep and diverse Fox Cities metropolitan area economy. The City rapidly retires general obligation debt within ten years. Debt service accounts for high, though manageable, expenditures reflecting the City's above average debt burden and rapid principal payout.

The City's sound financial operations will be maintained through prudent financial management and growth in tax base, resulting in increased property tax revenues, which is the City's largest operating revenue source.

The City has garnered significant interest from external developers seeking to expand their operations within its limits. Such developments play a crucial role in the overall functioning of the city, as they contribute to its tax base and enable the provision of quality services without imposing a substantial burden on current property owners. Moreover, the City remains committed to investing in and enhancing the amenities it offers. Exciting upcoming projects will further bolster the long-term investment in the city's infrastructure and amenities.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the finances of the City of Kaukauna for interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the William Van Rossum, Finance Director, City of Kaukauna, 144 W. Second Street, Kaukauna, Wisconsin 54130.

**BASIC FINANCIAL STATEMENTS**

Preliminary Draft -  
Internal Discussions Only,  
Subject to Change

**CITY OF KAUKAUNA, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 17,783,887	\$ 15,671,987	\$ 33,455,874
Receivables:			
Taxes and Special Charges	9,912,347	17,544	9,929,891
Delinquent Taxes	106	-	106
Accounts, Net	850,787	5,165,962	6,016,749
Special Assessments	3,680,022	-	3,680,022
Loans	2,235,080	-	2,235,080
Internal Balances	28,023	(28,023)	-
Due from Other Governments	1,761,236	-	1,761,236
Inventories and Prepaid Items	72,882	3,564,538	3,637,420
Investment in ATC LLC	-	4,028,341	4,028,341
Nonutility Plant, Net	-	308,845	308,845
Regulatory Asset	-	1,100,679	1,100,679
Assets Held for Resale	-	236,297	236,297
Restricted Assets:			
Cash and Investments	6,890,727	15,691,617	22,582,344
Net Pension Asset	5,089,694	2,591,122	7,680,816
Capital Assets, Not Being Depreciated	9,895,473	6,710,360	16,605,833
Capital Assets, Being Depreciated and Amortized, Net	73,862,037	155,174,914	229,036,951
Total Assets	132,062,301	210,234,183	342,296,484
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on Advance Refunding	-	-	-
Pension Related Amounts	9,956,387	5,056,646	15,013,033
Other Postemployment Related Amounts	1,254,068	360,359	1,614,427
Total Deferred Outflows of Resources	11,210,455	5,417,005	16,627,460
<b>LIABILITIES</b>			
Accounts Payable	913,681	3,019,095	3,932,776
Accrued and Other Current Liabilities	1,091,271	573,933	1,665,204
Due to Other Governments	9,800	-	9,800
Accrued Interest Payable	228,021	441,586	669,607
Customer Deposits	-	2,466,295	2,466,295
Unearned Revenues	1,596,042	1,535,454	3,131,496
Long-Term Obligations:			
Due within One Year	5,588,291	5,050,000	10,638,291
Due in More Than One Year	55,578,333	84,303,244	139,881,577
Net Other Postemployment Benefits	7,701,424	1,973,505	9,674,929
	72,706,863	99,363,112	172,069,975
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	16,590,001	-	16,590,001
Pension Related Amounts	11,981,428	6,099,647	18,081,075
Other Postemployment Related Amounts	822,521	217,697	1,040,218
Total Deferred Inflows of Resources	29,393,950	6,317,344	35,711,294
<b>NET POSITION</b>			
Net Investment in Capital Assets	24,973,910	80,769,681	105,743,591
Restricted			
Debt Service	6,043,229	8,431,341	14,474,570
Tax Incremental Districts	511,395	-	511,395
Donations	375,498	-	375,498
Pension Benefits	5,089,694	2,591,122	7,680,816
Unrestricted	4,178,217	18,178,588	22,356,805
Total Net Position	\$ 41,171,943	\$ 109,970,732	\$ 151,142,675

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
<b>GOVERNMENTAL ACTIVITIES</b>						
General Government	\$ 2,946,636	\$ 210,799	\$ -	\$ -	\$ (2,735,837)	\$ -
Public Safety	6,551,493	1,183,547	115,330	14,486	(5,238,130)	-
Public Works	5,383,908	523,416	1,237,268	1,096,040	(2,527,184)	-
Health and Human Services	4,536	316	-	-	(4,220)	-
Culture and Recreation	3,214,710	337,963	321,275	42,439	(2,513,033)	-
Conservation and Development	1,848,708	1,250	-	99,250	(1,748,208)	-
Interest and Fiscal Charges	1,334,675	-	-	-	(1,334,675)	-
Total Governmental Activities	21,284,666	2,257,291	1,673,873	1,252,215	(16,101,287)	-
<b>BUSINESS-TYPE ACTIVITIES</b>						
Kaukauna Utilities	54,413,407	58,692,521	-	785,383	-	5,064,497
Storm Water Utility	1,143,552	1,356,145	-	-	-	212,593
Sanitary Sewer Utility	3,614,209	3,486,738	-	-	-	(127,471)
Total Business-Type Activities	59,171,168	63,535,404	-	785,383	-	5,149,619
Total Primary Government	\$ 80,455,834	\$ 65,792,695	\$ 1,673,873	\$ 2,037,598	(16,101,287)	(10,951,668)
<b>GENERAL REVENUES</b>						
Taxes:						
Property Taxes					12,188,143	-
Sales Tax					194,615	-
Other Taxes					263,065	-
Federal and State Grants and Other Contributions					2,795,197	-
not Restricted to Specific Functions					515,767	444,974
Interest and Investment Earnings					1,191,522	-
Miscellaneous					2,257,600	(2,257,600)
Transfers					19,405,909	(1,812,626)
Total General Revenues and Transfers					3,304,622	3,336,993
<b>CHANGE IN NET POSITION</b>						
Net Position - Beginning of Year					37,867,321	106,633,739
<b>NET POSITION - END OF YEAR</b>					\$ 41,171,943	\$ 109,970,732
						\$ 151,142,675

See accompanying Notes to Basic Financial Statements.

(18)

Item 5.d.

**CITY OF KAUKAUNA, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and Investments	\$ 8,077,577	\$ 215,495	\$ 9,490,815	\$ 17,783,887
Restricted Cash and Investments	424,565	1,952,256	4,513,906	6,890,727
Receivables:				
Taxes and Special Charges	6,212,402	2,270,561	1,429,384	9,912,347
Delinquent Taxes	106	-	-	106
Accounts, Net	485,539	-	365,248	850,787
Special Assessments	-	-	3,680,022	3,680,022
Loans	-	-	2,235,080	2,235,080
Due from Other Funds	1,207,285	5,275,000	63,027	6,545,312
Due from Other Governments	1,236	-	1,760,000	1,761,236
Inventories and Prepaid Items	72,882	-	-	72,882
<b>Total Assets</b>	<b>\$ 16,481,592</b>	<b>\$ 9,713,312</b>	<b>\$ 23,537,482</b>	<b>\$ 49,732,386</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 270,325	\$ -	\$ 643,356	\$ 913,681
Accrued and Other Current Liabilities	1,079,772	-	11,499	1,091,271
Due to Other Funds	11,499	-	6,505,790	6,517,289
Due to Other Governments	9,800	-	-	9,800
Unearned Revenues	7,870	-	1,588,172	1,596,042
<b>Total Liabilities</b>	<b>1,379,266</b>	<b>-</b>	<b>8,748,817</b>	<b>10,128,083</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	9,708,798	4,222,817	2,658,386	16,590,001
Other Public Charges, Grants, and Donations	242,091	-	1,980,000	2,222,091
Loans Receivable	-	-	2,235,080	2,235,080
Special Assessments	-	-	3,680,021	3,680,021
<b>Total Deferred Inflows of Resources</b>	<b>9,950,889</b>	<b>4,222,817</b>	<b>10,553,487</b>	<b>24,727,193</b>
<b>FUND BALANCES</b>				
Nonspendable	72,988	-	-	72,988
Restricted	-	5,490,495	1,667,648	7,158,143
Committed	-	-	7,935,614	7,935,614
Assigned	410,000	-	-	410,000
Unassigned	4,668,449	-	(5,368,084)	(699,635)
<b>Total Fund Balances</b>	<b>5,151,437</b>	<b>5,490,495</b>	<b>4,235,178</b>	<b>14,877,110</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 16,481,592</b>	<b>\$ 9,713,312</b>	<b>\$ 23,537,482</b>	<b>\$ 49,732,386</b>

See accompanying Notes to Basic Financial Statements.



**CITY OF KAUKAUNA, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total fund balances as shown on previous page \$ 14,877,110

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 83,757,510

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.

Ambulance Charges	2,222,091
Loans Receivable	2,235,080
Special Assessments	3,680,021

Long-term assets are not current financial resources; therefore, are not reported in the funds:

Net Pension Asset	5,089,694
-------------------	-----------

Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.

Deferred Outflows Related to Pensions	9,956,387
Deferred Inflows Related to Pensions	(11,981,428)
Deferred Outflows Related to Other Postemployment Benefits	1,254,068
Deferred Inflows Related to Other Postemployment Benefits	(822,521)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and Notes Payable	(59,000,932)
Premium on Debt	(1,485,102)
Compensated Absences	(680,590)
Other Postemployment Benefit	(7,701,424)
Accrued Interest on Long-Term Obligations	(228,021)

Net Position of Governmental Activities as Reported on the Statement of Net Position

\$ 41,171,943



**CITY OF KAUKAUNA, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Other Governmental Funds	Total
<b>REVENUES</b>				
Taxes	\$ 6,738,557	\$ 3,783,090	\$ 2,270,627	\$ 12,792,274
Special Assessments	-	-	989,688	989,688
Intergovernmental	4,259,847	-	286,507	4,546,354
Licenses and Permits	464,042	-	-	464,042
Fines and Forfeits	95,939	-	-	95,939
Public Charges for Services	1,164,046	-	506,258	1,670,304
Miscellaneous	219,364	-	998,394	1,217,758
Total Revenues	12,941,795	3,783,090	5,051,474	21,776,359
<b>EXPENDITURES</b>				
Current:				
General Government	2,418,916	-	42,408	2,461,324
Public Safety	6,883,716	-	384,248	7,267,964
Public Works	3,545,824	-	633,152	4,178,976
Health and Human Services	4,536	-	-	4,536
Culture and Recreation	1,919,460	-	432,723	2,352,183
Conservation and Development	-	-	60,512	60,512
Nondepartmental	448,678	-	-	448,678
Debt Service:				
Principal	126,868	4,924,520	-	5,051,388
Interest and Fiscal Charges	17,048	1,575,031	612	1,592,691
Capital Outlay	-	-	7,712,253	7,712,253
Total Expenditures	15,365,046	6,499,551	9,265,908	31,130,505
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(2,423,251)	(2,716,461)	(4,214,434)	(9,354,146)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	-	-	6,000,000	6,000,000
Premium on Debt Issued	-	292,346	-	292,346
Payment to Advance Refunding	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	742,798	742,798
Transfers In	2,695,600	2,228,363	2,047,387	6,971,350
Transfers Out	(57,142)	-	(4,656,608)	(4,713,750)
Total Other Financing Sources (Uses)	2,638,458	2,520,709	4,133,577	9,292,744
<b>NET CHANGE IN FUND BALANCES</b>	215,207	(195,752)	(80,857)	(61,402)
Fund Balances - Beginning of Year	4,936,230	5,686,247	4,316,035	14,938,512
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,151,437</u>	<u>\$ 5,490,495</u>	<u>\$ 4,235,178</u>	<u>\$ 14,877,110</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES — GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net change in fund balances as shown on previous page \$ (61,402)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Expenditures in Governmental Fund Statements	5,387,700
Depreciation and Amortization Expense Reported in the Statement of Activities	(3,436,730)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	1,420,482
---	-----------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-Term Debt Issued	(6,000,000)
Principal Repaid	4,924,520
Interest Accrued on Long-Term Debt	(4,294)
Premium on Debt Issued, Including Current Year Amortization	(30,036)
Lease Liability Paid	126,868

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Compensated Absences	(71,959)
Net Pension Liability (Asset)	1,194,500
Deferred Outflows of Resources Related to Pensions	3,487,446
Deferred Inflows of Resources Related to Pensions	(3,449,563)
Other Postemployment Benefits	(325,139)
Deferred Outflows of Resources Related to Other Postemployment Benefits	161,865
Deferred Inflows of Resources Related to Other Postemployment Benefits	(19,636)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (See Page 18)	\$ <u>3,304,622</u>
--	---------------------

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL — GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 6,731,153	\$ 6,731,153	\$ 6,738,557	\$ 7,404
Intergovernmental	4,227,711	4,227,711	4,259,847	32,136
Licenses and Permits	403,400	403,400	464,042	60,642
Fines and Forfeits	123,000	123,000	95,939	(27,061)
Public Charges for Services	947,700	947,700	1,164,046	216,346
Miscellaneous	58,500	58,500	219,364	160,864
Total Revenues	12,491,464	12,491,464	12,941,795	450,331
<b>EXPENDITURES</b>				
Current:				
General Government	2,475,919	2,475,919	2,418,916	57,003
Public Safety	6,703,818	6,703,818	6,883,716	(179,898)
Public Works	3,613,088	3,613,088	3,545,824	67,264
Health and Human Services	2,500	2,500	4,536	(2,036)
Culture and Recreation	2,108,147	2,108,147	1,919,460	188,687
Nondepartmental	848,208	848,208	448,678	399,530
Total Expenditures	15,751,680	15,751,680	15,365,046	386,634
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(3,260,216)	(3,260,216)	(2,423,251)	836,965
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,850,216	2,850,216	2,695,600	(154,616)
Transfers Out	-	-	(57,142)	(57,142)
Total Other Financing Sources (Uses)	2,850,216	2,850,216	2,638,458	(211,758)
<b>NET CHANGE IN FUND BALANCE</b>	(410,000)	(410,000)	215,207	625,207
Fund Balance - Beginning of Year	3,371,500	3,303,462	5,217,964	1,319,518
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,961,500</u>	<u>\$ 2,893,462</u>	<u>\$ 5,433,171</u>	<u>\$ 1,944,725</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN**  
**STATEMENT OF NET POSITION — PROPRIETARY FUNDS**  
**DECEMBER 31, 2022**

	Kaukauna Utilities	Stormwater Utility	Sanitary Sewer Utility	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 9,312,360	\$ 2,514,389	\$ 3,845,238	\$ 15,671,987
Receivables:				
Taxes and Special Charges	-	3,522	14,022	17,544
Accounts, Net	5,161,572	-	4,390	5,165,962
Due from Other Funds	141,520	226,075	1,024,679	1,392,274
Inventories and Prepaid Items	3,564,538	-	-	3,564,538
Total Current Assets	18,179,990	2,743,986	4,888,329	25,812,305
Restricted Assets:				
Cash and Investments	6,885,868	5,617,429	3,188,320	15,691,617
Other Assets:				
Investment in ATC LLC	4,028,341	-	-	4,028,341
Regulatory Asset	1,100,679	-	-	1,100,679
Nonutility Plant, Net	308,845	-	-	308,845
Property Held for Future Use	236,297	-	-	236,297
Net Pension Asset	2,480,409	41,516	69,197	2,591,122
Total Other Assets	8,154,571	41,516	69,197	8,265,284
Capital Assets:				
Nondepreciable	5,098,658	43,632	1,568,070	6,710,360
Depreciable, Net	126,765,394	9,289,308	19,120,212	155,174,914
Total Capital Assets	131,864,052	9,332,940	20,688,282	161,885,274
Total Assets	165,084,481	17,735,871	28,834,128	211,654,480
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	4,838,902	79,600	138,144	5,056,646
Other Postemployment Related Amounts	354,454	2,214	3,691	360,359
Total Deferred Outflows of Resources	5,193,356	81,814	141,835	5,417,005

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN**  
**STATEMENT OF NET POSITION — PROPRIETARY FUNDS (CONTINUED)**  
**DECEMBER 31, 2022**

	Kaukauna Utilities	Stormwater Utility	Sanitary Sewer Utility	Total
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 2,681,115	\$ 3,941	\$ 334,039	\$ 3,019,095
Accrued and Other Current Liabilities	560,741	4,465	8,727	573,933
Due to Other Funds	1,316,278	-	104,019	1,420,297
Customer Deposits	2,466,295	-	-	2,466,295
Unearned Revenues	1,502,826	6,550	26,078	1,535,454
Current Portion of Long-Term Debt:				
General Obligation	-	180,000	-	180,000
Revenue Bonds	4,095,000	350,000	425,000	4,870,000
Accrued Interest Payable	98,762	165,562	177,262	441,586
Total Current Liabilities	12,721,017	710,518	1,075,125	14,506,660
Long-Term Obligations, Less Current Portion:				
General Obligation Debt	-	480,000	-	480,000
Revenue Bonds	59,110,000	9,690,000	11,145,000	79,945,000
Compensated Absences	-	9,179	1,539	10,718
Debt Premium	3,739,753	70,864	56,909	3,867,526
Net Other Postemployment Benefits	1,955,651	6,695	11,159	1,973,505
Total Long-Term Liabilities	64,805,404	10,256,738	11,214,607	86,276,749
Total Liabilities	77,526,421	10,967,256	12,289,732	100,783,409
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Amounts	5,839,024	97,730	162,893	6,099,647
Other Postemployment Related Amounts	215,258	915	1,524	217,697
Total Deferred Inflows of Resources	6,054,282	98,645	164,417	6,317,344
<b>NET POSITION</b>				
Net Investment in Capital Assets	64,390,486	3,811,968	12,567,227	80,769,681
Restricted				
Debt Service	6,787,106	760,047	884,188	8,431,341
Pension Benefits	2,480,409	41,516	69,197	2,591,122
Unrestricted	13,039,133	2,138,253	3,001,202	18,178,588
Total Net Position	\$ 86,697,134	\$ 6,751,784	\$ 16,521,814	\$ 109,970,732

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Kaukauna Utilities	Stormwater Utility	Sanitary Sewer Utility	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 57,984,782	\$ 1,356,145	\$ 3,486,738	\$ 62,827,665
Other	652,738	-	-	652,738
Total Operating Revenues	58,637,520	1,356,145	3,486,738	63,480,403
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	45,322,756	346,218	2,593,206	48,262,180
Depreciation	6,207,108	161,305	339,012	6,707,425
Taxes	-	11,497	-	11,497
Total Operating Expenses	51,529,864	519,020	2,932,218	54,981,102
<b>OPERATING INCOME</b>	7,107,656	837,125	554,520	8,499,301
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	436,717	4,478	3,779	444,974
Merchandising and Jobbing	55,001	-	-	55,001
Interest and Fiscal Charges	(2,299,289)	(624,532)	(681,991)	(3,605,812)
Amortization of Debt Discount/Premium	(201,528)	-	-	(201,528)
Miscellaneous Revenues (Expenses)	(382,726)	-	-	(382,726)
Total Nonoperating Revenues (Expenses)	(2,391,825)	(620,054)	(678,212)	(3,690,091)
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	4,715,831	217,071	(123,692)	4,809,210
Capital Contributions	785,383	-	-	785,383
Transfers In	-	-	252,000	252,000
Transfers Out	(2,271,812)	(88,070)	(149,718)	(2,509,600)
<b>CHANGE IN NET POSITION</b>	3,229,402	129,001	(21,410)	3,336,993
Net Position - Beginning of Year	83,467,732	6,622,783	16,543,224	106,633,739
<b>NET POSITION - END OF YEAR</b>	<u>\$ 86,697,134</u>	<u>\$ 6,751,784</u>	<u>\$ 16,521,814</u>	<u>\$ 109,970,732</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Kaukauna Utilities	Stormwater Utility	Sanitary Sewer Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 60,069,473	\$ 1,355,595	\$ 3,482,497
Cash Paid for Employee Wages and Benefits	(41,313,884)	(204,894)	(251,903)
Cash Paid to Suppliers	(4,595,636)	(161,256)	(2,293,389)
Net Cash Provided by Operating Activities	14,159,953	989,445	937,205
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Due to/from Other Funds	-	(7,378)	(539,055)
Transfers In/Out	(2,271,812)	(88,070)	102,282
Net Cash Used by Noncapital Financing Activities	(2,271,812)	(95,448)	(436,773)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	(7,347,056)	(90,108)	(1,882,997)
Cost of Removal of Capital Assets	(97,924)	-	-
Capital Contributions	459,244	(42)	(431)
Principal Paid on Long-Term Debt	(3,960,000)	(4,115,480)	(2,900,000)
Interest Paid on Long-Term Debt	(2,305,922)	(509,553)	(569,075)
Proceeds of Long-Term Debt	-	9,140,000	8,095,000
Net Cash Used by Capital and Related Financing Activities	(13,251,658)	4,424,817	2,742,497
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	345,439	4,478	3,779
Investment in ATC LLC	(123,303)	-	-
Net Cash Provided by Investing Activities	222,136	4,478	3,779
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,141,381)	5,323,292	3,246,708
Cash and Cash Equivalents - Beginning of Year	17,339,609	2,808,526	3,786,850
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 16,198,228</u>	<u>\$ 8,131,818</u>	<u>\$ 7,033,558</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Kaukauna Utilities	Stormwater Utility	Sanitary Sewer Utility	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income	\$ 7,107,656	\$ 837,125	\$ 554,520	\$ 8,499,301
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Nonoperating Revenue	(327,725)	-	-	(327,725)
Depreciation	6,207,108	161,305	339,012	6,707,425
Depreciation Charged to Operating Accounts	295,170	-	-	295,170
Depreciation on Nonutility Plant	8,679	-	-	8,679
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources				
Pension Asset/Liability	(530,502)	(5,738)	(28,519)	(564,759)
Pension Related Deferred Outflows	(1,607,142)	(22,225)	(66,469)	(1,695,836)
Pension Related Deferred Inflows	1,568,033	19,362	73,795	1,661,190
Other Postemployment Benefits Liability	107,125	(575)	2,893	109,443
Other Postemployment Benefits Liability Related Deferred Outflows	(19,821)	861	(195)	(19,155)
Other Postemployment Benefits Liability Related Deferred Inflows	8,741	(51)	426	9,116
Regulatory Asset	220,136	-	-	220,136
Change in Operating Assets and Liabilities				
Accounts Receivables, Net of Allowance	(242,613)	-	(2,590)	(245,203)
Due to/from Municipality	37	-	-	37
Inventories and Prepaid Items	(510,344)	-	-	(510,344)
Accounts Payable	18,703	(1,789)	72,608	89,522
Accrued and Other Current Liabilities	(59,948)	1,720	(6,625)	(64,853)
Customer Deposits	1,316,298	-	-	1,316,298
Unearned Revenues	600,362	(550)	(1,651)	598,161
Compensated Absences	-	-	-	-
Net Cash Provided by Operating Activities	<u>\$ 14,159,953</u>	<u>\$ 989,445</u>	<u>\$ 937,205</u>	<u>\$ 16,086,603</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>				
Cash and Cash Equivalents in Current Assets	\$ 9,312,360	\$ 2,514,389	\$ 3,845,238	\$ 15,671,987
Cash and Cash Equivalents in Restricted Assets	<u>6,885,868</u>	<u>5,617,429</u>	<u>3,188,320</u>	<u>15,691,617</u>
Total Cash and Cash Equivalents	<u>\$ 16,198,228</u>	<u>\$ 8,131,818</u>	<u>\$ 7,033,558</u>	<u>\$ 31,363,604</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
ATC Dividends Reinvested	\$ (84,580)	\$ -	\$ -	\$ (84,580)
Amortization	\$ (201,529)	\$ -	\$ -	\$ (201,529)
Acquisition of Capital Assets Purchase on Account	\$ -	\$ -	\$ (156,149)	\$ (156,149)
Developer financed additions to utility plant	\$ 326,139	\$ -	\$ -	\$ 326,139

See accompanying Notes to Basic Financial Statements.



**CITY OF KAUKAUNA, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2022**

	<u>Tax Collection Custodial Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 6,371,526
Taxes Receivable	<u>7,408,886</u>
Total Assets	<u>13,780,412</u>
<b>DEFERRED INFLOW</b>	
Property Taxes Levied for Subsequent Year	13,780,412
<b>NET POSITION</b>	
Restricted	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUND  
YEAR ENDED DECEMBER 31, 2022**

	<u>Tax Collection Custodial Fund</u>
<b>ADDITIONS</b>	
Property Tax Collections	\$ 13,932,071
<b>DEDUCTIONS</b>	
Payments to Taxing Jurisdictions	<u>13,932,071</u>
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Kaukauna, Wisconsin (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

**A. Reporting Entity**

The City is a municipal corporation governed by an elected eight member council. Included in the City's operations (the primary government) are the City's Electric and Water Utilities, managed by a separate commission appointed by the City Council. In accordance with GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has identified the following component unit that is required to be included in the basic financial statements as required by standards.

**Redevelopment Authority**

The Redevelopment Authority of the City of Kaukauna provides services entirely to the City of Kaukauna. Although it is legally separate from the City, the Redevelopment Authority is blended and reported as if it were part of the primary government because of the nature of its relationship with the City. The Redevelopment Authority does not issue separate financial statements.

**B. Related Organization**

The City's officials are also responsible for appointing the members of the board of another organization, but the City's accountability for this organization does not extend beyond making the appointments. Therefore, this organization is not included in the City's reporting entity. The City Council appoints some or all of the members of the following related organization:

**Housing Authority of the City of Kaukauna**

The Housing Authority was established by the City to administer the low and moderate income housing program funded by federal grants and rental income. Although board members of the Housing Authority are appointed by the City Council, there is no financial interdependency with the City of Kaukauna nor does the City have any significant influence over Housing Authority operations. The City does not provide funding for the Housing Authority. Additionally, the City does not hold title to any of the Housing Authority assets, nor does it have any right to the Housing Authority's surpluses. The City has no legal obligation to fund Housing Authority programs should grant funding no longer be available.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

**General Fund**

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**Debt Service Fund**

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major enterprise funds:

**Kaukauna Utilities**

This fund accounts for the provision of electric service to City residents, businesses, public authorities and the communities of Little Chute and Combined Locks, Wisconsin and the provision of water service to City residents, businesses and public authorities.

**Stormwater Utility**

This fund accounts for the provision of storm water management to City residents, businesses and public authorities.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements (Continued)**

**Sanitary Sewer Utility**

This fund accounts for the provision of wastewater collection to City residents, businesses and public authorities.

**Custodial Funds**

The City accounts for assets held for individuals or other government agencies in custodial funds.

**Tax Collection**

The tax collection custodial fund accounts for property taxes and specials collected on behalf of other governments.

**D. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and electric functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

**2. Property Taxes and Special Charges Receivable**

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

The City bills and collects its own property taxes and also levies and collects taxes for the Kaukauna School District, Outagamie County and Fox Valley Technical College.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**3. Accounts Receivable**

Accounts receivable have been shown net of allowance for uncollectible accounts of \$403,991.

**4. Special Assessments**

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2022 tax roll are recognized as revenue in 2023.)

**5. Loans Receivable**

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

**6. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**7. Inventories**

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**8. Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

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

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

The City's Electric Utility is a member of ATC. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The Utility owns less than 1% of ATC.

The investment earns dividends quarterly, some of which are paid in cash and some of which are required to be reinvested. From time to time, the Utility has the option to contribute additional funds to maintain its proportionate share of ownership. The investment in American Transmission Company LLC is recorded at cost since it is privately held and has no readily available fair market value. The Utility's ownership share is value at \$3,813,760 as of December 31, 2022, and is reported on the Statement of Net Position as an asset.

**10. Capital Assets**

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



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**10. Capital Assets (Continued)**

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

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

Assets	Governmental Activities	Business-Type Activities
	Years	
Buildings	20 to 40	25 to 50
Improvements Other Than Buildings	10 to 20	25 to 100
Machinery and Equipment	3 to 20	3 to 10
Infrastructure	18 to 70	70
Right to Use Lease Asset - Buildings	3 to 5	3 to 5

**11. Regulatory Asset**

During 2017, a large industrial customer of the Utilities went into receivership, resulting in an uncollectible receivable of \$2,201,357. The Utilities subsequently requested the Public Service Commission of Wisconsin (PSC) to allow the Utilities to recover this cost in future years. The PSC subsequently authorized the Utilities to amortize this cost over 10 years and allowed an annual uncollectible expense of \$220,136 to be included in the Utilities revenue requirement beginning in 2018. The Utilities expects that the PSC will continue to include this amortization in its revenue requirement through 2028, and will amortize the asset in accordance with the PSC order.

**12. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

**13. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**13. Deferred Outflows/Inflows of Resources (Continued)**

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments and loan and developer receivables. These inflows are recognized as revenues in the government-wide financial statements.

**14. Long-Term Obligations**

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**15. Leases**

The City is a lessee for space usage.

**Lessee**

The City recognizes a lease liability and an intangible right-to-use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87, *Leases*.

At the commencement of a lease, the City determines based on the criteria dictated in GASB Statement No. 87, *Leases*, if the lease is a financed purchase or a lease liability. Then the City initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

An intangible right-to-use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**15. Leases**

*Lessee (Continued)*

commencement date, plus certain initial direct costs. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the City capital assets in its own category called Leased Assets (Right to Use).

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease.

**16. Pensions**

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

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**17. Other Postemployment Benefits Other Than Pensions (OPEB)**

**Defined Benefit Plan**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Other Postemployment Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

**Local Retiree Life Insurance Fund**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**18. Fund Equity**

**Governmental Fund Financial Statements**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**18. Fund Equity (Continued)**

**Governmental Fund Financial Statements (Continued)**

- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of City management. The City Council has authorized the City Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

**Government-Wide and Proprietary Fund Statements**

Equity is classified as net position and displayed in three components:

- **Net Investment in Capital Assets.** Amount of capital assets, net of accumulated depreciation or amortization, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position.** Net position that is neither classified as restricted nor as net investment in capital assets.

**F. Sales Tax**

The City collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The City accounting policy is to exclude the tax collected and remitted from revenues and cost of sales.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**H. Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the City recorded right-to-use assets and related lease payable of \$1,635,932.



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, certain special revenue, debt service funds and certain capital projects funds. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund, certain special revenue funds, debt service funds and certain capital projects funds.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**B. Excess of Expenditures over Budget Appropriations**

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2022 as follows:

Fund(s)	Excess Expenditures
General Fund	
Public Safety	\$ 179,898
Health and Human Services	2,036

**C. Deficit Fund Equity**

The following funds had deficit fund balance as of December 31, 2022:

Funds	Deficit Fund Balance
Capital Projects Funds	
Industrial Park	
Space Needs	
Streets and Sidewalks	433,300
Tax Incremental District #5	3,973,127
Tax Incremental District #6	
Tax Incremental District #7	
Tax Incremental District #8	163,111
Tax Incremental District #9	99,245
Tax Incremental District #10	117,238
Tax Incremental District #11	15,274
Tax Incremental District #12	8,136
Environmental Remediation TID	558,653

The City anticipates funding the above deficits from future revenues and tax levies of the funds.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**D. Property Tax Levy Limit**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2022 and 2023 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2022 budget was 2.57%. The actual limit for the City for the 2023 budget was 2.09%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled \$62,409,744 on December 31, 2022, as summarized below:

Petty Cash and Cash on Hand	\$ 1,150
Deposits with Financial Institutions	17,189,105
Beneficial Interest in Assets Held by Community Foundation of the Fox Valley	17,667
Investments	
U.S. Agency Securities	1,366,246
Bond Mutual Funds	391,156
Wisconsin Investment Series Cooperative (WISC)	
LTD Series	1,183,416
TS Series	1,399,512
Negotiable Certificates of Deposit	1,835,770
Repurchase Agreements	11,366,080
Money Market Mutual Funds	927,042
U.S. Treasury Notes and Bonds	1,965,203
Wisconsin Local Government Investment Pool	24,767,397
Total	<u>\$ 62,409,744</u>

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position	
Cash and Investments	\$ 33,455,874
Restricted Cash and Investments	22,582,344
Fiduciary Fund Statement of Net Position	
Custodial Fund	6,371,526
Total	<u>\$ 62,409,744</u>

**Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2022:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
U.S. Treasuries	\$ -	\$ 1,965,203	\$ -
U.S. Agency Securities	-	1,366,246	-
Bond Mutual Funds	163,367	227,789	-
Negotiable Certificates of Deposit	-	1,835,770	-
Beneficial Interest in Assets Held by Community Foundation of the Fox Valley	-	-	17,667
Total	<u>\$ 163,367</u>	<u>\$ 5,395,008</u>	<u>\$ 17,667</u>

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

**Custodial Credit Risk (Continued)**

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2022, \$11,177,889 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

On December 31, 2022, the City held repurchase agreement investments of \$11,366,080 of which the underlying securities are, held by the investment's counterparty, not in the name of the City.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Money Market Mutual Funds	\$ 927,042	\$ -	\$ -	\$ -	\$ 927,042
Mutual Bond Funds	391,156	-	-	-	391,156
U.S. Treasuries	1,965,203	-	-	-	1,965,203
U.S. Agency Securities	1,366,246	-	-	1,366,246	-
Negotiable Certificates of Deposit	1,835,770	-	-	-	1,835,770
WISC Investments					
LTD Series	1,183,416	-	-	-	1,183,416
TS Series	1,399,512	-	-	-	1,399,512
Wisconsin Local Government Investment Pool	24,767,397	-	-	-	24,767,397
Totals	<u>\$ 33,835,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,366,246</u>	<u>\$ 32,469,496</u>

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. At December 31, 2022, the City had no investments in one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of December 31, 2022, the Wisconsin Local Government Investment Pool had a weighted average maturity of 74 days. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Money Market Mutual Funds	\$ 927,042	\$ 927,042	\$ -	\$ -	\$ -
Mutual Funds	391,156	391,156	-	-	-
U.S. Treasuries	1,965,203	1,212,266	752,937	-	-
U.S. Agency Securities	1,366,246	-	1,366,246	-	-
WISC Investments					
TS Series	1,399,512	1,399,512	-	-	-
LTD Series	1,183,416	1,183,416	-	-	-
Repurchase Agreements	11,366,080	11,366,080	-	-	-
Negotiable Certificates of Deposit	1,835,770	1,835,770	-	-	-
Wisconsin Local Government Investment Pool	24,767,397	24,767,397	-	-	-
Totals	<u>\$ 45,201,822</u>	<u>\$ 43,082,639</u>	<u>\$ 2,119,183</u>	<u>\$ -</u>	<u>\$ -</u>

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations  
(Continued)**

<u>Highly Sensitive Investments</u>	<u>Fair Value at Year-End</u>
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 1,366,246

**Investment in Wisconsin Local Government Investment Pool**

The City has investments in the Wisconsin Local Government Investment Pool of \$24,767,397 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

**Investment in Wisconsin Investment Series Cooperative**

The Wisconsin Investment Series Cooperative (WISC) is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operated under Wisconsin Intergovernmental Cooperation Statute, Wisconsin Statutes, Section 66.0301. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests Utilities' funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Restricted Assets**

Restricted assets of the primary government on December 31, 2022 totaled \$22,582,344 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
General		
HRA Account	\$ 424,565	To be used for insurance related expenditures
Special Revenue		
Thousand Islands Environmental Center	450,987	To be used for future activities of the Environmental Center
Subdivision Fees	1,779	To be used for future expenditures relating to subdivisions
American Rescue Plan Act	1,588,172	To be used for future expenditures relating to the American Rescue Plan Act
Nelson Crossing	1,618	To be used for future activities of Nelson Crossing
Total Special Revenue	2,042,556	
Debt Service	1,952,256	
Capital Projects		
Special Assessments	274,685	To be used for future capital expenditures
Pools and Parks	231,156	To be used for future capital expenditures relating to space improvements
Tax Incremental District #4	1,763	To be used for future expenses relating to the tax incremental district
Tax Incremental District #5	112,977	To be used for future expenses relating to the tax incremental district
Tax Incremental District #6	417,350	To be used for future expenses relating to the tax incremental district
Tax Incremental District #8	514,965	To be used for future expenses relating to the tax incremental district
Tax Incremental District #9	13,324	To be used for future expenses relating to the tax incremental district
Tax Incremental District #10	44,044	To be used for future expenses relating to the tax incremental district
Tax Incremental District #11	40,557	To be used for future expenses relating to the tax incremental district
Environmental Remediation TID	52,526	To be used for future expenses relating to the tax incremental district
Redevelopment Authority	768,003	To be used for retirement of Taxable Redevelopment Lease Revenue Bonds
Total Capital Projects	2,471,350	
Total Governmental Activities	6,890,727	
Enterprise		
Electric Utility		
Debt Reserve	6,155,188	To be used for subsequent year payments and to reserve additional
Water Utility		
Debt Reserve/Special Redemption	730,680	To be used for subsequent year payments and to reserve additional
Stormwater Utility		
Capital Improvements	4,857,382	To be used for future stormwater capital projects
Debt Reserve	760,047	To reserve additional funds for debt retirement
Total Stormwater Utility	5,617,429	
Sanitary Sewer Utility		
Capital Improvements	2,292,076	To be used for future sanitary sewer capital projects
Debt Reserve	896,244	To reserve additional funds for debt retirement
Total Sanitary Sewer Utility	3,188,320	
Total Business-Type Activities	15,691,617	
Total Restricted Assets	\$ 22,582,344	



**CITY OF KAUKAUNA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance (1)	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 8,285,039	\$ -	\$ -	\$ 8,285,039
Construction in Progress	11,479,547	2,499,252	12,368,365	1,610,434
Total Capital Assets, Nondepreciable	19,764,586	2,499,252	12,368,365	9,895,473
Capital Assets, Being Depreciated and Amortized:				
Land Improvements	1,871,093	-	-	1,871,093
Buildings and Improvements	22,883,178	5,660,983	-	28,544,161
Machinery and Equipment	10,234,548	941,887	283,412	10,893,023
Infrastructure	62,388,834	8,653,943	-	71,042,777
Right-to-use Lease Assets - Buildings	2,549,180	-	-	2,549,180
Subtotals	99,926,833	15,256,813	283,412	114,900,234
Less: Accumulated Depreciation and Amortization	37,884,879	3,436,730	283,412	41,038,197
Total Capital Assets, Depreciable, Net	62,041,954	11,820,083	-	73,862,037
Governmental Activities Capital Assets, Net	<u>\$ 81,806,540</u>	<u>\$ 14,319,335</u>	<u>\$ 12,368,365</u>	83,757,510
Less: Debt Incurred for Capital Assets				56,940,000
Less: Premium				1,485,102
Less: Accounts Payable Related to Capital Assets				358,498
Net Investment in Capital Assets				<u>\$ 24,973,910</u>
(1) The beginning balance was restated due to the implementation of GASB Statement No. 87. See Note 1.H.				
<b>Business-Type Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 2,517,811	\$ -	\$ -	\$ 2,517,811
Intangible	534,579	303,372	-	837,951
Construction in Progress	1,453,039	11,298,993	9,397,433	3,354,599
Total Capital Assets, Nondepreciable	4,505,429	11,602,365	9,397,433	6,710,361
Capital Assets, Depreciable:				
Buildings	26,320,925	278,177	36,864	26,562,238
Improvements Other Than Buildings	141,691,831	5,750,651	463,112	146,979,370
Machinery and Equipment	38,348,353	916,696	268,015	38,997,034
Infrastructure	34,470,502	405,034	-	34,875,536
Subtotals	240,831,611	7,350,558	767,991	247,414,178
Less: Accumulated Depreciation	86,016,311	7,002,594	779,640	92,239,265
Subtotals	86,016,311	7,002,594	779,640	92,239,265
Total Capital Assets, Depreciable, Net	152,305,685	347,964	(11,649)	155,174,913
Business-Type Activities Capital Assets, Net	<u>\$ 156,811,114</u>	<u>\$ 11,950,329</u>	<u>\$ 9,385,784</u>	161,885,274
Less: Capital Related Debt				76,563,105
Less: Debt Premium				3,867,525
Less: Accounts Payable Related to Capital Assets				684,963
Net Investment in Capital Assets				<u>\$ 80,769,681</u>

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

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

Governmental Activities	
General Government	\$ 82,134
Public Safety	230,021
Public Works	2,296,063
Culture and Recreation	562,351
Conservation and Development	266,161
Total Depreciation Expense - Governmental	
Activities	<u>\$ 3,436,730</u>
Business-Type Activities	
Kaukauna Utilities	\$ 6,502,277
Stormwater Utility	161,305
Sanitary Sewer Utility	339,012
Total Increase in Accumulated Depreciation -	
Business-Type Activities	<u>\$ 7,002,594</u>

The Utilities holds nonutility property consisting of land and buildings and improvements totaling \$308,845, net of accumulated depreciation.

**D. Interfund Receivable, Payables, and Transfers**

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2022 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds		
General Fund	\$ 1,207,285	\$ 11,500
Debt Service Fund	5,275,000	-
Nonmajor Governmental Funds		
Industrial Park	-	240,000
Special Assessments	-	9,434
Streets & Sidewalks Fund	-	38,344
Environmental Remediation TID	-	700,000
Tax Incremental District #4	-	50,000
Tax Incremental District #5	-	4,575,000
Tax Incremental District #8	-	640,852
Tax Incremental District #9	-	111,300
Tax Incremental District #10	-	117,238
Tax Incremental District #11	-	15,274
Tax Incremental District #12	-	6,232
Grignon Home		
Nelson Crossing		
Solid Waste	63,027	2,116
Enterprise Funds		
Kaukauna Utilities	141,520	1,316,277
Stormwater Utility	226,075	-
Sanitary Sewer Utility	1,024,679	104,019
Totals	<u>\$ 7,937,586</u>	<u>\$ 7,937,586</u>

**CITY OF KAUKAUNA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivable, Payables, and Transfers (Continued)**

Interfund transfers for the year ended December 31, 2022 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 2,695,600	\$ 57,142
Debt Service	2,228,363	-
Nonmajor Governmental	2,047,387	4,656,608
Kaukauna Utilities	-	2,271,812
Stormwater utility	-	88,070
Sanitary Sewer	252,000	149,718
Total	<u>\$ 7,223,350</u>	<u>\$ 7,223,350</u>

Transfers are used for the following purposes:

Tax Equivalent Payment Made by Water and Electric Utility to General Fund	\$ 2,298,876
Administration Fees from the Storm Water and Sewer Utilities	237,788
Transfers for Debt Retirement	2,228,363
To Finance Construction Project Costs	1,840,211
To Move Unrestricted Revenues to the fund that is Required or Allowed to Expend	618,112
Transfers - Fund Statements	7,223,350
Less: Eliminating Transfers Out	(4,965,750)
Transfers - Government-Wide Statements	<u>\$ 2,257,600</u>

**E. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2022:

	Beginning Balance (1)	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Debt					
Bonds	\$ 8,999,998	\$ -	\$ 665,000	\$ 8,334,998	\$ 790,000
Notes	39,214,522	6,000,000	3,834,520	41,380,002	4,075,000
Total General Obligation Debt	48,214,520	6,000,000	4,499,520	49,715,000	4,865,000
Lease Liability	1,762,800	-	126,868	1,635,932	128,143
Taxable Redevelopment Lease					
Revenue Bonds	8,075,000	-	425,000	7,650,000	425,000
Premium on Outstanding Debt	1,455,066	292,346	262,310	1,485,102	-
Compensated Absences	608,631	71,959	-	680,590	170,148
Governmental Activities					
Long-Term Obligations	<u>\$ 60,116,017</u>	<u>\$ 6,364,305</u>	<u>\$ 5,313,698</u>	<u>\$ 61,166,624</u>	<u>\$ 5,588,291</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 87. See Note 1.H.

**CITY OF KAUKAUNA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>					
General Obligation Debt					
Notes	\$ 900,480	\$ -	\$ 240,480	\$ 660,000	\$ 180,000
Revenue Bonds	78,315,000	17,235,000	10,735,000	84,815,000	4,870,000
Premium on Outstanding Debt	4,374,269	-	506,744	3,867,525	-
Compensated Absences	16,335	-	5,616	10,719	-
Business-Type Activities					
Long-Term Obligations	<u>\$ 83,606,084</u>	<u>\$ 17,235,000</u>	<u>\$ 11,487,840</u>	<u>\$ 89,353,244</u>	<u>\$ 5,050,000</u>

Total interest paid during the year on long-term debt totaled \$3,749,361.

**General Obligation Debt**

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
General Obligation Notes	09/04/13	12/31/23	2.00 - 4.00%	1,125,000	\$ 225,000
General Obligation Notes	05/20/14	11/01/24	2.00 - 3.00%	875,000	100,000
General Obligation Notes	05/20/14	11/01/24	2.00 - 4.00%	1,000,000	300,000
General Obligation Notes	09/02/14	09/01/24	1.50 - 3.00%	1,300,000	650,000
General Obligation Bonds	03/17/15	09/01/25	2.00 - 3.00%	2,435,000	635,000
General Obligation Bonds	09/01/15	12/01/27	2.00 - 4.00%	1,650,000	1,175,000
General Obligation Notes	09/01/15	12/01/25	2.00 - 3.00%	3,550,000	1,650,000
General Obligation Notes	11/01/16	11/01/24	2.00 - 3.00%	1,525,000	425,000
General Obligation Bonds	08/15/17	12/01/30	2.00 - 3.00%	1,565,000	1,020,000
General Obligation Notes	08/15/17	12/01/17	2.00 - 3.00%	8,450,000	6,100,000
General Obligation Notes	09/05/18	06/01/28	2.00 - 3.25%	5,200,000	4,715,000
General Obligation Bonds	10/30/19	06/01/28	1.95 - 2.50%	6,305,000	4,500,000
General Obligation Notes	10/30/19	09/01/29	2.00 - 3.00%	5,025,000	5,505,000
General Obligation Notes	09/03/20	09/01/30	1.00 - 2.00%	9,800,000	8,775,000
General Obligation Notes	09/01/21	09/01/31	0.35 - 1.85%	5,200,000	5,100,000
General Obligation Notes	09/01/21	09/01/31	2.00 - 3.00%	3,680,000	3,500,000
General Obligation Notes	05/03/22	03/01/32	4.00%	6,000,000	6,000,000
Total Outstanding General Obligation Debt					<u>\$ 50,375,000</u>

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Debt (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$50,375,000 on December 31, 2022 are detailed below:

Year Ended December 31,	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 4,865,000	\$ 1,329,487	\$ 180,000	\$ 17,100	\$ 5,045,000	\$ 1,346,587
2024	5,011,000	1,123,310	224,000	11,040	5,235,000	1,134,350
2025	4,969,000	999,638	256,000	3,840	5,225,000	1,003,478
2026	6,660,000	870,453	-	-	6,660,000	870,453
2027	6,885,000	684,334	-	-	6,885,000	684,334
2028-2032	21,325,000	1,390,621	-	-	21,325,000	1,390,621
Total	<u>\$ 49,715,000</u>	<u>\$ 6,397,843</u>	<u>\$ 660,000</u>	<u>\$ 31,980</u>	<u>\$ 50,375,000</u>	<u>\$ 6,429,823</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

**Legal Margin for New Debt**

The City's legal margin for creation of additional general obligation debt on December 31, 2022 was \$22,790,505 as follows:

Equalized Valuation of the City	\$ 1,463,310,100
Statutory Limitation Percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	73,165,505
Total Outstanding General Obligation Debt Applicable to Debt Limitation	50,375,000
Legal Margin for New Debt	<u>\$ 22,790,505</u>

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Revenue Bonds**

Revenue bonds outstanding on December 31, 2022 totaled \$84,815,000 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
<b>Kaukauna Utilities</b>					
<b>Electric Utility</b>					
Revenue Bond	06/02/15	12/15/30	2.0-4.0%	9,415,000	\$ 4,375,000
Revenue Bond	12/15/15	12/15/25	2.0-3.0%	3,365,000	1,440,000
Revenue Bond	03/08/18	12/15/37	4.0%	11,150,000	9,400,000
Revenue Bond	10/09/18	12/15/28	3.00-5.00%	10,130,000	6,190,000
Revenue Bond	09/10/19	12/15/35	2.6-3.0%	20,275,000	19,835,000
Revenue Bond	12/15/20	12/15/30	3.0-4.0%	16,320,000	14,945,000
Total Electric Utility Revenue Bonds					56,185,000
<b>Water Utility</b>					
Revenue Bond	08/29/14	12/01/23	2.0-2.65%	2,500,000	425,000
Revenue Bond	10/03/17	12/01/37	2.0-3.25%	3,950,000	3,750,000
Revenue Bond	12/30/20	12/04/40	2.0-3.0%	3,085,000	2,845,000
Total Water Utility Revenue Bonds					7,020,000
<b>Stormwater</b>					
Revenue Bond	11/01/16	09/01/31	2.0-3.25%	1,350,000	900,000
Revenue Bond	06/03/22	09/01/42	3.0-4.25%	9,140,000	9,140,000
					10,040,000
<b>Sanitary Sewer</b>					
Revenue Bond	09/04/13	09/01/28	3.00-5.00%	1,950,000	900,000
Revenue Bond	09/01/15	09/01/30	3.00-4.00%	1,225,000	725,000
Revenue Bond	11/01/16	09/01/31	3.00-3.25%	1,225,000	825,000
Revenue Bond	09/05/18	09/01/33	2.00-4.00%	1,190,000	1,025,000
Revenue Bond	06/03/22	09/01/42	3.00-4.25%	8,095,000	8,095,000
Total Sanitary Sewer Revenue Bonds					11,570,000
Total Outstanding Revenue Bonds					\$ 84,815,000

Annual principal and interest maturities of the outstanding revenue bonds of \$84,815,000 on December 31, 2022 are detailed below:

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,870,000	\$ 2,903,081	\$ 7,773,081
2024	4,750,000	3,013,890	7,763,890
2025	4,950,000	2,670,126	7,620,126
2026	5,120,000	2,488,559	7,608,559
2027	5,295,000	2,308,064	7,603,064
2028-2032	28,360,000	8,471,232	36,831,232
2033-2037	24,050,000	3,633,828	27,683,828
2038-2042	7,420,000	917,625	8,337,625
Total	<u>\$ 84,815,000</u>	<u>\$ 26,406,405</u>	<u>\$ 111,221,405</u>

**CITY OF KAUKAUNA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Utility Revenues Pledged**

The electric, water, storm water, and sanitary sewer utility enterprise funds have pledged future electric, water, storm water, and sanitary sewer customer revenues, net of specified operating expenses, to repay the revenue bonds through 2037, 2037, 2031, and 2033, respectively. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used by the utilities. A summary of net customer revenues and remaining principal and interest due on revenue bonds follows:

	Kaukauna Utilities			
	Electric Utility	Water Utility	Stormwater Utility	Sanitary Sewer Utility
Net Customer Revenues				
Operating Revenues	\$ 54,490,566	\$ 4,146,954	\$ 1,356,145	\$ 3,486,738
Other Income	104,076	4,916	4,478	3,779
Total Revenues	54,594,642	4,151,870	1,360,623	3,490,517
Less: Operating Expenses	42,884,845	2,437,911	357,715	2,620,270
Net Customer Revenues	<u>\$ 11,709,797</u>	<u>\$ 1,713,959</u>	<u>\$ 1,002,908</u>	<u>\$ 870,247</u>
Debt Service				
Principal	\$ 3,365,000	\$ 595,000	\$ 350,000	\$ 425,000
Interest	2,082,365	223,557	127,250	285,152
Total Debt Service	<u>\$ 5,447,365</u>	<u>\$ 818,557</u>	<u>\$ 477,250</u>	<u>\$ 710,152</u>
Remaining Principal and Interest	<u>\$ 70,349,038</u>	<u>\$ 8,857,919</u>	<u>\$ 14,811,303</u>	<u>\$ 17,203,145</u>

**Taxable Redevelopment Lease Revenue Bonds**

Taxable redevelopment lease revenue bond debt service requirements are financed from operations of the Redevelopment Authority. Revenue bond debt outstanding on December 31, 2022 totaled \$7,650,000 and was composed of the following issue:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Lease Revenue Bond	7/1/15	12/1/40	2.00 - 4.125%	\$ 10,500,000	<u>\$ 7,650,000</u>



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Taxable Redevelopment Lease Revenue Bonds (Continued)**

Annual principal maturities of the outstanding debt of \$7,650,000 on December 31, 2022 are detailed below:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 425,000	\$ 294,844	\$ 719,844
2024	425,000	277,844	702,844
2025	425,000	260,844	685,844
2026	425,000	243,844	668,844
2027	425,000	226,844	651,844
2028-2032	2,125,000	891,438	3,016,438
2033-2037	2,125,000	479,719	2,604,719
2038-2040	1,275,000	78,891	1,353,891
Total	<u>\$ 7,650,000</u>	<u>\$ 2,754,268</u>	<u>\$ 10,404,268</u>

**F. Leases Payable**

The City leases space usage for various terms under long-term, noncancelable lease agreements. The leases expire in 2034.

Total principal and interest costs for such leases for governmental funds were \$145,191 for the year ended December 31, 2022. The future minimum lease payments for these agreements are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 128,143	\$ 15,773	\$ 143,916
2024	129,545	14,486	144,031
2025	132,118	13,178	145,296
2026	133,445	11,851	145,296
2027	134,786	10,510	145,296
2028 - 2032	699,284	31,895	731,179
2033 - 2037	278,611	2,795	281,406
Minimum Payments Required	<u>\$ 1,635,932</u>	<u>\$ 100,488</u>	<u>\$ 1,736,420</u>

Right-to-use assets acquired through outstanding leases are as follows:

Buildings and Improvements \$ 2,549,180

Less Accumulated Depreciation for:

Buildings and Improvements \$ 1,030,293  
Total \$ 1,518,887

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Pension Plan**

**Wisconsin Retirement System**

**1. Plan Description**

The Wisconsin Retirement System (WRS) is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Pension Plan (Continued)**

**Wisconsin Retirement System (Continued)**

**1. Plan Description (Continued)**

The WRS also provides death and disability benefits for employees.

**2. Postretirement Adjustments**

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

<u>Year</u>	<u>Core Fund Adjustment (%)</u>	<u>Variable Fund Adjustment (%)</u>
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13

**3. Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ending December 31, 2022, the WRS recognized \$1,167,094 in contributions from the City.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Pension Plan (Continued)**

**3. Contributions (Continued)**

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (Including Executives and Elected Officials)	6.50 %	6.50 %
Protective with Social Security	6.50 %	12.00 %
Protective without Social Security	6.50 %	16.40 %

**4. Pension Assets, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2022, the City reported an asset of \$7,680,815 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.09529330%, which was an increase of 0.00044425% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension revenue of \$664,885.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 12,407,967	\$ 894,748
Net differences Between Projected and Actual Earnings on Pension Plan Investments	-	17,182,622
Changes in Assumptions	1,432,976	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	4,996	3,705
Employer Contributions Subsequent to the Measurement Date	1,167,094	-
Total	<u>\$ 15,013,033</u>	<u>\$ 18,081,075</u>

\$1,167,094 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Pension Plan (Continued)**

**4. Pension Assets Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ (359,961)
2024	(2,081,270)
2025	(915,167)
2026	(878,738)
Total	<u>\$ (4,235,136)</u>

**5. Actuarial Assumptions**

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability:	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

\* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	52.0 %	6.8 %	4.2 %
Fixed Income	25.0	4.3	1.8
Inflation Sensitive Assets	19.0	2.7	0.2
Real Estate	7.0	5.6	3.0
Private Equity/Debt	12.0	9.7	7.0
Cash	(15.0)	0.9	N/A
Total Core Fund	100.0 %	6.6 %	4.0 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	6.3 %	3.7 %
International Equities	30.0	7.2	4.6
Total Variable Fund	100.0 %	6.8 %	4.2 %

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation to target of 15% policy leverage is used, subject to an allowable range of up to 20%.



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

**Single Discount Rate.** A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members.

**Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,450,083	\$ (7,680,815)	\$ (17,132,618)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**6. Payables to the Pension Plan**

At December 31, 2022, the City has outstanding amount of contributions to the pension plan of \$177,605 for the year ended December 31, 2022.



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Pension Plan (Continued)**

**6. Payables to the Pension Plan (Continued)**

**Defined Contribution Pension Plan**

The City contributes to the Service Award Program (SAP), a defined contribution pension plan, for its volunteer firefighters, first responders and emergency medical technicians. SAP is administered by Glatfelter Specialty Benefits/VFIS.

The City determines annually the amount it will contribute on behalf of each individual in the program. Participants are fully vested to receive a service award once he or she attains 15 years of service for a municipality and paid a service award upon reaching age of 60. A participant who has discontinued providing eligible service after performing a minimum 10 years of service shall be partially vested and may elect to receive a partial service award at any time after reaching age 53. Nonvested accounts are forfeited if the individual ceases to perform creditable service for a period of 12 months or more and distributed equally among all other open accounts sponsored by the participating municipality at the time of the forfeiture.

For the year ended December 31, 2022, the City contributed \$664,885 to the plan, and the City recognized pension expense of \$664,885.

**H. Other Postemployment Benefits**

The City reports OPEB related balances at December 31, 2022 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,238,630	\$ 409,667	\$ 169,210	\$ 148,255
Single-Employer Defined OPEB Plan	8,436,299	1,204,760	871,008	525,910
Total Pension Liability	<u>\$ 9,674,929</u>	<u>\$ 1,614,427</u>	<u>\$ 1,040,218</u>	<u>\$ 674,165</u>

**1. Single-Employer Defined Postemployment Benefit Plan**

**Plan Description**

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the Utilities, fire and police, and elected and appointed. Eligible retired employees have access to group medical coverage through the City's group plan until they reach the age of 65. The retired employee is required to have served 15 years for the City in order to be eligible.

**Benefits Provided**

The City provides medical (including prescription drugs) for retired employees through the City's insured plans.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**1. Single-Employer Defined Postemployment Benefit Plan (Continued)**

**Employees Covered by Benefit Terms**

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	28
Active Employees	146
Total	<u>174</u>

**Contributions**

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. The retired employee contributes a percentage of the premium based on the number of years they retire after eligibility for Wisconsin Retirement (currently age 55).

**Total OPEB Liability**

The City's total OPEB liability was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

**Actuarial Assumptions.** The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.25%
Salary Increases:	2%
Inflation	3.00%
Seniority/Merit	0.1%-5.6%
Investment Rate of Return:	3.72%
Healthcare Cost Trend Rates:	3.00% for 2022 increasing to 5.0%

Mortality rates are the same as those used in the December 2014 Wisconsin Retirement System's annual report.

The actuarial assumptions used in the January 1, 2018 valuation were based on the "Wisconsin Retirement System 2015 - 2017 Experience Study".

The discount rate of 2.06% used for all years of benefit payments was based on the current yield for 20-year, tax-exempt AA Municipal bond rate or higher as of the measurement date.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**1. Single-Employer Defined Postemployment Benefit Plan (Continued)**

**Total OPEB Liability (Continued)**

**Discount Rate.** The discount rate used to measure the total OPEB liability was 3.72%. The projection of cash flows used to determine the discount rate assumed that Utilities contributions will be made at rates equal to the actuarially determined contribution rates.

**Changes in the Total OPEB Liability**

	Increase (Decrease)
	<u>Total OPEB</u>
Balance at December 31, 2021	\$ 8,037,054
Changes for the Year:	
Service Cost	332,749
Interest	161,572
Differences Between Expected and Actual Experience	398,100
Change in Assumptions	(105,617)
Benefit Payments	(387,559)
Net Changes	399,245
Balance at December 31, 2022	<u>\$ 8,436,299</u>

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current rate:

	1% Decrease to Discount Rate (2.72%)	Current Discount Rate (3.72%)	1% Increase to Discount Rate (4.72%)
Total OPEB Liability	\$ 9,232,144	\$ 8,436,299	\$ 7,735,264

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**1. Single-Employer Defined Postemployment Benefit Plan (Continued)**

**Changes in the Total OPEB Liability (Continued)**

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.0% decreasing to 1.0%) or 1-percentage-point higher (7.0% decreasing to 3.0%) than the current healthcare cost trend rates:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 7,613,756	\$ 8,436,299	\$ 9,396,722

**OPEB Expense**

For the year ended December 31, 2022, the City recognized OPEB expense of \$525,910.

As of December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 363,721	\$ 774,513
Changes in Assumptions	841,039	96,495
Total	<u>\$ 1,204,760</u>	<u>\$ 871,008</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the upcoming years:

<u>Year Ending December 31.</u>	<u>Expense</u>
2023	\$ 31,589
2024	31,589
2025	31,589
2026	31,589
2027	31,589
Thereafter	175,807
Total	<u>\$ 333,752</u>

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**1. Single-Employer Defined Postemployment Benefit Plan (Continued)**

**Payable to the OPEB Plan.**

At December 31, 2022, the City had no outstanding amount of contributions to the Plan required for the year ended December 31, 2022.

**2. Local Retiree Life Insurance Fund**

**Plan Description**

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

**OPEB Plan Fiduciary Net Position**

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found at using the link above.

**Benefits Provided**

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

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

**Contributions**

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

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

Contribution rates as of December 31, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2021 are listed below:

Life Insurance Member Contribution Rates* For the Year Ended December 31, 2021		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

\*Disabled members under age 70 receive a waiver-of-premium benefit.

During the year ending December 31, 2022, the LRLIF recognized \$4,030 in contributions from the employer.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

**OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2022, the City reported a liability of \$1,238,630 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.20956900%, which was a decrease of .00918300% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense of \$148,255.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 63,008
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	16,116	-
Changes in Assumptions	374,233	60,037
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	19,318	46,165
Total	<u>\$ 409,667</u>	<u>\$ 169,210</u>

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

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ 55,004
2024	53,134
2025	48,407
2026	62,490
2027	26,202
Thereafter	(4,780)
Total	<u>\$ 240,457</u>



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial assumptions.** The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumption used to measure the total OPEB liability changed from the prior year, including the price inflation, mortality and separation rates. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

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

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to OPEB (Continued)**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
U.S. Mortgages	Bloomberg US MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.3% as of December 31, 2021.

**Single discount rate.** A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2019 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of the City's proportionate share of net OPEB liability (asset) to changes in the discount rate.** The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
City's Proportionate Share of the Net OPEB Liability	\$ 1,680,375	\$ 1,238,630	\$ 906,236

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

**Payable to the OPEB Plan**

At December 31, 2022, the City had no outstanding amount of contributions to the Plan required for the year ended December 31, 2022.

**I. Fund Equity**

**Nonspendable Fund Balance**

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2022, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Inventories and Prepaid Items	\$ 72,882
Delinquent Taxes	106
Total Nonspendable Fund Balance	<u>\$ 72,988</u>

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Fund Equity (Continued)**

**Restricted Fund Balance**

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance was as follows:

Debt Service Fund	
Restricted for	
Debt Service	\$ 5,490,495
Special Revenue Fund	
Restricted for	
Donations	375,498
Capital Projects Fund	
Restricted for	
Tax Incremental Districts	511,395
Debt Service	780,755
	<hr/>
Total Restricted Fund Balance	\$ 7,158,143
	<hr/>

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Fund Equity (Continued)**

**Committed Fund Balance**

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2022, governmental fund balance was committed as follows:

Special Revenue Funds

Committed for

Subdivision Fees	\$ 181,143
1000 Islands Environmental Center	75,540
Revolving Economic Development Loans	1,047,288
Rental Rehabilitation Grants	3,165
Housing Development Grants	28,670
CDBG Grant	198,097
Public Safety Grants	173,346
Library Foundation	17,667
Grignon Home	1
Vehicle Registration	66,576
Solid Waste	61,639
Red Hill Landfill	197,639
Nelson Crossing	1,659
Library Special Use	<u>11,945</u>

Capital Projects Fund

Committed for

Industrial Park	319,455
Special Assessments	1,091,633
Equipment	456,290
Pools and Parks	2,981,647
Buildings and Miscellaneous	<u>1,022,214</u>

Total Committed Fund Balance	<u><u>\$ 7,935,614</u></u>
------------------------------	----------------------------

**Assigned Fund Balance**

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2022, fund balance was assigned as follows:

General Fund

Subsequent Year's Expenditures	<u><u>\$ 410,000</u></u>
--------------------------------	--------------------------

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION**

**A. WIPPI Energy Contract (WPPI)**

The Kaukauna Electric Utility purchases its electric requirements from WPPI Energy (WPPI). WPPI is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act, Sec. 66.073 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical and reliable supply of electric energy to its members.

The Kaukauna Electric Utility is one of 51 members of WPPI located throughout the States of Wisconsin, Iowa, and Michigan. On December 31, 1989, each of WPPI's members, including the City of Kaukauna, commenced purchasing electric service from WPPI under a new Long-term Power Supply Contract for Participating Members (the Long-term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial thirty-five (35) year term. The contract has been amended to extend the term of the contract through 2037. A subsequent amendment has extended the contract through 2055.

Under the Long-Term Contract, the Kaukauna Electric Utility and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirement which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its board of directors, which consists of representatives from each member municipality. The Kaukauna Electric Utility has agreed to charge rates to the retail ratepayers of its electric system sufficient to meet its obligations to WPPI. The Long-term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the Kaukauna electric system payable from any operating and maintenance fund established by the Kaukauna Electric Utility.

The Long-term Contract may be terminated by either party upon five years prior written notice effective at the end of the initial 35-year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

Electric power purchases by the Kaukauna Electric Utility from the WPPI for distribution to its customers under the above arrangement amounted to approximately \$274 million in 2022.



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Tax Incremental Financing Districts**

The City has established separate capital projects funds for eight Tax Incremental Districts (TID) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Except for certain exceptions under Section 66.1105(6)(am)(2), the Statutes allow a tax incremental district to incur project costs up to five years prior to termination of the district. The City's TID No. 4 was created in September, 2000, TID No. 5 was created in September, 2003, the Environmental Remediation TID (ERTID) was created September 2005, TID No. 6 was created in September, 2006, TID No. 7 was created in September, 2012, TID No. 8 was created in September, 2013, TID No. 9 was created in September 2016, TID No. 10 was created in September 2019, TID No. 11 was created in September 2021, and TID No. 12 was created in September 2022. All TID's are still eligible to incur project costs.

Since creation of the above Districts, the City has provided various financing sources to the TID. Detail of the amounts recoverable by the City as of December 31, 2022 from future excess tax increment revenues of the TID's are as follows:

	Tax Incremental District #4	Tax Incremental District #5	Tax Incremental District #6	Tax Incremental District #8
Net Unreimbursed (Reimbursed) Project Costs	<u>\$ 225,515</u>	<u>\$ 11,288,127</u>	<u>\$ 535,116</u>	<u>\$ 5,805,507</u>
	Tax Incremental District #9	Tax Incremental District #10	Tax Incremental District #11	Tax Incremental District #12
Net Unreimbursed (Reimbursed) Project Costs	<u>\$ 99,246</u>	<u>\$ 634,638</u>	<u>\$ 15,274</u>	<u>\$ 8,136</u>
	Tax Incremental ERTID			
Net Unreimbursed (Reimbursed) Project Costs	<u>\$ 943,653</u>			

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 4	2031
TID No. 5	2034
TID No. 6	2026
TID No. 8	2033
TID No. 9	2043
TID No. 10	2040
TID No. 11	2041
TID No. 12	2042



**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceed coverage amounts in the past three years.

**D. Contingencies**

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

**E. Enterprise Funds – Significant Customers**

The utility has two significant customers who were responsible for 24% of operating revenues.

**REQUIRED SUPPLEMENTARY INFORMATION**

Preliminary Draft -  
Internal Discussions Only,  
Subject to Change

**CITY OF KAUKAUNA, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) —**  
**WISCONSIN RETIREMENT SYSTEM**  
**LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.09136299%	\$ (2,244,125)	\$ 10,905,307	20.58 %	102.74 %
12/31/15	0.09115131%	1,481,191	10,808,317	13.70 %	98.20 %
12/31/16	0.09216838%	759,688	11,279,812	6.73 %	99.12 %
12/31/17	0.09272600%	(2,753,143)	11,297,910	24.37 %	102.93 %
12/31/18	0.09416558%	3,350,116	11,511,788	29.10 %	96.45 %
12/31/19	0.09438667%	(3,043,457)	11,899,616	25.58 %	102.96 %
12/31/20	0.09484905%	(5,921,557)	12,302,168	48.13 %	105.26 %
12/31/21	0.09529330%	(7,680,815)	12,606,353	60.93 %	106.02 %

**SCHEDULE OF CONTRIBUTIONS —**  
**WISCONSIN RETIREMENT SYSTEM**  
**LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 870,444	\$ 870,444	\$ -	\$ 10,808,317	8.05 %
12/31/16	890,178	890,178	-	11,279,812	7.89 %
12/31/17	956,240	956,240	-	11,297,910	8.46 %
12/31/18	980,740	980,740	-	11,511,789	8.52 %
12/31/19	991,980	991,980	-	11,899,616	8.34 %
12/31/20	1,081,683	1,081,683	-	12,302,169	8.79 %
12/31/21	1,117,295	1,117,295	-	12,606,353	8.86 %
12/31/22	1,167,094	1,167,094	-	13,446,296	8.68 %

See Notes to Required Supplementary Information.

**CITY OF KAUKAUNA, WISCONSIN**  
**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS**

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 332,749	\$ 322,333	\$ 354,074	\$ 347,131	\$ 355,549
Interest	161,572	163,634	308,561	315,176	301,683
Changes of Benefit Terms	-	-	(343,744)	-	-
Differences Between Expected and Actual Experience	398,100	-	(1,005,945)	-	-
Changes of Assumptions	(105,616)	38,653	1,049,847	-	-
Benefit Payments	(387,559)	(412,303)	(304,140)	(328,495)	(311,475)
Net Change in Total OPEB Liability	399,246	112,317	58,653	333,812	345,757
Total OPEB Liability - Beginning	8,037,054	7,924,737	7,866,084	7,532,272	7,186,515
Total OPEB Liability - Ending	<u>\$ 8,436,300</u>	<u>\$ 8,037,054</u>	<u>\$ 7,924,737</u>	<u>\$ 7,866,084</u>	<u>\$ 7,532,272</u>
Covered-Employee Payroll	\$ 14,285,967	\$ 13,366,187	\$ 13,203,276	\$ 12,454,203	\$ 12,210,002
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	59.05%	60.13%	60.02%	63.16%	61.69%

See Notes to Required Supplementary Information.

**CITY OF KAUKAUNA, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) —**  
**LOCAL RETIREE LIFE INSURANCE FUND**  
**LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.21612700%	\$ 539,434	\$ 11,297,910	4.77 %	44.81 %
12/31/18	0.21705100%	560,065	11,511,789	4.87 %	48.69 %
12/31/19	0.21097000%	898,349	11,899,616	7.55 %	37.58 %
12/31/20	0.21875200%	1,203,293	12,606,353	9.55 %	31.36 %
12/31/21	0.20956900%	1,238,630	12,420,000	9.97 %	29.57 %

**SCHEDULE OF CONTRIBUTIONS —**  
**LOCAL RETIREE LIFE INSURANCE FUND**  
**LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 4,357	\$ 4,357	\$ -	\$ 11,511,789	0.04 %
12/31/19	4,192	4,192	-	11,899,616	0.04 %
12/31/20	4,382	4,382	-	12,302,169	0.04 %
12/31/21	4,182	4,182	-	12,606,353	0.03 %
12/31/22	4,030	4,030	-	13,446,296	0.03 %

See Notes to Required Supplementary Information.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**NOTE 1 WISCONSIN RETIREMENT SYSTEM**

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

*Changes of benefit terms:* There were no changes of benefit terms for any participating employer in WRS.

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

**NOTE 2 OTHER POSTEMPLOYMENT BENEFITS**

**Single-Employer Defined Postemployment Benefit Plan**

There were no changes in benefit terms. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Local Retiree Life Insurance Fund (LRLIF)**

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

*Benefit Terms:* There were no recent changes in benefit terms.

**CITY OF KAUKAUNA, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**NOTE 2 OTHER POSTEMPLOYMENT BENEFITS**

**Local Retiree Life Insurance Fund (LRLIF) (Continued)**

*Assumptions:* In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.



**SUPPLEMENTARY INFORMATION**

Preliminary Draft -  
Internal Discussions Only,  
Subject to Change

**CITY OF KAUKAUNA, WISCONSIN  
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	Special Revenue							
	1000 Islands Environmental Center	Revolving Economic Development Loans	Rental Rehabilitation Grants	Housing Development Grants	CDBG Grant	Public Safety Grants	Library Foundation	Subdivision Fees
<b>ASSETS</b>								
Cash and Investments	\$ 13,964	\$ 1,047,288	\$ 3,165	\$ 28,670	\$ 198,097	\$ 177,575	\$ 17,667	\$ 181,142
Restricted Cash and investments	450,987	-	-	-	-	-	-	1,779
Receivables:								
Taxes and Special Charges	-	-	-	-	-	-	-	2,069
Accounts, Net	-	-	-	-	-	-	-	-
Special Assessments	-	-	13,960	-	-	-	-	553
Loans	-	384,549	-	68,200	108,371	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 464,951</b>	<b>\$ 1,431,837</b>	<b>\$ 17,125</b>	<b>\$ 96,870</b>	<b>\$ 306,468</b>	<b>\$ 177,575</b>	<b>\$ 17,667</b>	<b>\$ 185,543</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ 5,090	\$ -	\$ -	\$ -	\$ -	\$ 4,229	\$ -	\$ -
Accrued and Other Current Liabilities	8,823	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>13,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,229</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Property Taxes Levied for Subsequent Year	-	-	-	-	-	-	-	3,847
Other Public Charges, Grants, and Donations	-	-	-	-	-	-	-	-
Loans Receivable	-	384,549	13,960	68,200	108,371	-	-	-
Special Assessments	-	-	-	-	-	-	-	553
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>384,549</b>	<b>13,960</b>	<b>68,200</b>	<b>108,371</b>	<b>-</b>	<b>-</b>	<b>4,400</b>
<b>FUND BALANCES</b>								
Restricted	375,498	-	-	-	-	-	-	-
Committed	75,540	1,047,288	3,165	28,670	198,097	173,346	17,667	181,143
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>451,038</b>	<b>1,047,288</b>	<b>3,165</b>	<b>28,670</b>	<b>198,097</b>	<b>173,346</b>	<b>17,667</b>	<b>181,143</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 464,951</b>	<b>\$ 1,431,837</b>	<b>\$ 17,125</b>	<b>\$ 96,870</b>	<b>\$ 306,468</b>	<b>\$ 177,575</b>	<b>\$ 17,667</b>	<b>\$ 185,543</b>

**CITY OF KAUKAUNA, WISCONSIN**  
**COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2022**

Special Revenue (Continued)									
ASSETS		PACE Loan Fund	Grignon Home	Vehicle Registration	Solid Waste	Red Hill Landfill	American Rescue Plan Act	Nelson Crossing	Library Special Use
Cash and Investments	\$	-	\$ 3,228	\$ 66,576	\$ -	\$ 197,639	\$ -	\$ 1,659	\$ 11,945
Restricted Cash and Investments	-	-	-	-	-	-	1,588,172	1,618	-
Receivables:									
Taxes and Special Charges	-	-	-	-	-	-	-	1,882	-
Accounts, Net	-	-	-	-	900	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	63,027	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-	-
Total Assets	\$	-	\$ 3,228	\$ 66,576	\$ 63,927	\$ 197,639	\$ 1,588,172	\$ 5,159	\$ 11,945
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$	-	\$ 551	\$ -	172	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	2,676	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	2,116	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	1,588,172	-	-
Total Liabilities	-	-	3,227	-	2,288	-	1,588,172	-	-
DEFERRED INFLOWS OF RESOURCES									
Property Taxes Levied for Subsequent Year	-	-	-	-	-	-	-	3,500	-
Other Public Charges, Grants, and Donations	-	-	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	3,500	-
FUND BALANCES									
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	1	66,576	61,639	197,639	-	1,659	11,945
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	-	1	66,576	61,639	197,639	-	1,659	11,945
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	-	\$ 3,228	\$ 66,576	\$ 63,927	\$ 197,639	\$ 1,588,172	\$ 5,159	\$ 11,945

**CITY OF KAUKAUNA, WISCONSIN  
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

Capital Projects																		
ASSETS		Industrial Park	Special Assessments	Space Needs	Streets and Sidewalks	Tax Incremental District #4	Tax Incremental District #5	Tax Incremental District #6	Tax Incremental District #8	Tax Incremental District #9								
Cash and Investments	\$	557,982	\$	1,101,304	\$	-	\$	476,514	\$	496,599	\$	84,881	\$	-	\$	12,055		
Restricted Cash and Investments Receivables:	-			274,685	-			1,763		112,977		417,350		514,965		13,324		
Taxes and Special Charges Accounts, Net	-			319,471	-			2,050		131,397		485,396		43,293		15,497		
Special Assessments	1,529			-	-			-		105,351		-		220,000		-		
Loans	-			3,679,469	-			-		-		-		-		-		
Due from Other Funds	-			-	-			-		-		-		1,660,000		-		
Due from Other Governments	-			-	-			-		-		-		-		-		
Total Assets	\$	559,511	\$	5,374,929	\$	-	\$	1,760,000	\$	480,327	\$	846,324	\$	987,627	\$	2,438,258	\$	40,876
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES																		
LIABILITIES																		
Accounts Payable	\$	56	\$	238	\$	-	\$	394,956	\$	-	\$	77	\$	-	\$	-	\$	-
Accrued and Other Current Liabilities	-			-	-			-		-		-		-		-	-	-
Due to Other Funds	240,000			9,434	-			38,344		50,000		4,575,000		-		640,852		111,300
Unearned Revenues	-			-	-			-		-		-		-		-		-
Total Liabilities	240,056			9,672	-			433,300		50,000		4,575,077		-		640,852		111,300
DEFERRED INFLOWS OF RESOURCES																		
Property Taxes Levied for Subsequent Year	-			594,156	-			3,813		244,374		902,746		80,517		28,821		28,821
Special Charges Assessed	-			-	-			1,760,000		-		-		220,000		-		-
Loans Receivable	-			-	-			-		-		-		1,660,000		-		-
Special Assessments	-			3,679,468	-			-		-		-		-		-		-
Total Deferred Inflows of Resources	-			4,273,624	-			1,760,000		3,813		244,374		902,746		1,960,517		28,821
FUND BALANCES																		
Restricted	-			-	-			426,514		-		84,881		-		-		-
Committed	319,455			1,091,633	-			-		-		-		-		-		-
Unassigned	-			-	-			(433,300)		-		(3,973,127)		-		(163,111)		(99,245)
Total Fund Balances	319,455			1,091,633	-			(433,300)		426,514		(3,973,127)		84,881		(163,111)		(99,245)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	559,511	\$	5,374,929	\$	-	\$	1,760,000	\$	480,327	\$	846,324	\$	987,627	\$	2,438,258	\$	40,876

*Item 5.d.*

(90)

CITY OF KAUKAUNA, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022

	Special Revenue							
	1000 Islands Environmental Center	Revolving Economic Development Loans	Rental Rehabilitation Grants	Housing Development Grants	CDBG Grant	Public Safety Grants	Library Foundation	Subdivision Fees
<b>REVENUES</b>								
Taxes	\$ 120,000	-	\$ -	\$ -	-	-	\$ -	\$ 115
Intergovernmental	30,000	-	-	-	-	4,229	-	-
Public Charges for Services	15,068	-	-	-	-	36,452	-	-
Miscellaneous	50,294	189,442	-	-	57,681	-	(3,099)	-
Total Revenues	215,362	189,442	-	-	57,681	40,681	(3,099)	5,589
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	5,450	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and Recreation	325,098	-	-	-	-	-	13,050	-
Conservation and Development	6,034	52,316	-	-	121	-	-	-
Debt Service:	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	331,132	52,316	-	-	121	5,450	13,050	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(115,770)	137,126	-	-	57,560	35,231	(16,149)	5,589
<b>OTHER FINANCING SOURCES (USES)</b>								
Long-Term Debt Issued	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-
Transfers In	38,357	40,975	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	38,357	40,975	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(77,413)	178,101	-	-	57,560	35,231	(16,149)	5,589
Fund Balance - Beginning of Year	528,451	869,187	3,165	28,670	140,537	138,115	33,816	175,554
<b>FUND BALANCE - END OF YEAR</b>	\$ 451,038	\$ 1,047,288	\$ 3,165	\$ 28,670	\$ 198,097	\$ 173,346	\$ 17,667	\$ 181,143

**CITY OF KAUKAUNA, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

Special Revenue (Continued)										
	PACE Loan Fund	Grignon Home	Vehicle Registration	Solid Waste	Red Hill Landfill	American Rescue Plan Act	Nelson Crossing	Library Special Use		
<b>REVENUES</b>										
Taxes	\$ -	\$ 44,175	\$ 146,451	\$ -	\$ -	\$ -	\$ 1,800	\$ -		
Intergovernmental	-	-	-	-	-	114,785	-	-		
Public Charges for Services	-	-	-	375,519	79,219	-	-	-		
Miscellaneous	-	24,088	-	6,675	-	-	-	-		14,655
Total Revenues	-	68,263	146,451	382,194	79,219	114,785	1,800	-		14,655
<b>EXPENDITURES</b>										
Current:										
General Government	-	-	-	-	-	27,362	-	-		-
Public Safety	-	-	-	-	-	87,423	-	-		-
Public Works	-	-	-	246,013	2,067	-	-	-		-
Culture and Recreation	-	75,842	-	-	-	-	1,611	-		17,122
Conservation and Development	-	-	-	-	-	-	-	-		-
Debt Service:										
Interest and Fiscal Charges	-	-	-	-	-	-	-	-		-
Capital Outlay	-	-	-	-	-	-	-	-		-
Total Expenditures	-	75,842	-	246,013	2,067	114,785	1,611	-		17,122
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(7,579)	146,451	136,181	77,152	-	189	(2,467)		
<b>OTHER FINANCING SOURCES (USES)</b>										
Long-Term Debt Issued	-	-	-	-	-	-	-	-		-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-		-
Transfers In	-	17,185	-	-	-	-	1,600	-		-
Transfers Out	(40,975)	-	(200,000)	(186,000)	(50,000)	-	-	-		-
Total Other Financing Sources (Uses)	(40,975)	17,185	(200,000)	(186,000)	(50,000)	-	1,600	-		-
<b>NET CHANGE IN FUND BALANCES</b>	(40,975)	9,606	(53,549)	(49,819)	27,152	-	1,789	(2,467)		
Fund Balance - Beginning of Year	40,975	(9,605)	120,125	111,458	170,487	-	(130)	14,412		
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 1	\$ 66,576	\$ 61,639	\$ 197,639	\$ -	\$ 1,659	\$ 11,945		



**CITY OF KAUKAUNA, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Capital Projects									
	Industrial Park	Special Assessments	Space Needs	Streets and Sidewalks	Tax Incremental District #4	Tax Incremental District #5	Tax Incremental District #6	Tax Incremental District #8	Tax Incremental District #9	
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 124,744	\$ 563,291	\$ 933,683	\$ 116,914	\$ 29,891	
Intergovernmental	-	-	-	-	8,421	1,980	12,977	14,645	220	
Public Charges for Services	-	-	-	-	-	-	-	-	-	
Miscellaneous	226,960	104,056	1,997	57,202	-	5,000	77,013	50,907	-	
Total Revenues	226,960	1,088,270	1,997	57,202	133,165	570,271	1,023,673	182,466	30,111	
<b>EXPENDITURES</b>										
Current:										
General Government	-	-	-	-	-	-	-	-	-	
Public Safety	-	-	-	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	-	-	-	
Culture and Recreation	-	-	-	-	-	-	-	-	-	
Conservation and Development	-	-	-	-	-	1,892	-	-	-	
Debt Service:										
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	
Capital Outlay	852	(60,759)	98,534	2,779,657	8,106	-	112	3,173,161	20,151	
Total Expenditures	852	(60,759)	98,534	2,779,657	8,106	1,892	112	3,173,161	20,151	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	226,108	1,149,029	(96,537)	(2,722,455)	125,059	568,379	1,023,561	(2,990,695)	9,960	
<b>OTHER FINANCING SOURCES (USES)</b>										
Long-Term Debt Issued	-	-	50,000	2,462,500	-	-	-	-	-	
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	-	
Transfers In	-	-	109,059	929,000	88,393	537,500	-	-	-	
Transfers Out	-	(1,351,000)	-	-	(77,100)	(862,714)	(1,092,636)	(469,143)	-	
Total Other Financing Sources (Uses)	-	(1,351,000)	159,059	3,391,500	11,293	(325,214)	(1,092,636)	(469,143)	-	
<b>NET CHANGE IN FUND BALANCES</b>	226,108	(201,971)	62,522	669,045	136,352	243,165	(69,075)	(3,459,838)	9,960	
Fund Balance - Beginning of Year	93,347	1,293,604	(62,522)	(1,102,345)	290,162	(4,216,292)	153,956	3,296,727	(109,205)	
<b>FUND BALANCE - END OF YEAR</b>	\$ 319,455	\$ 1,091,633	\$ -	\$ (433,300)	\$ 426,514	\$ (3,973,127)	\$ 84,881	\$ (163,111)	\$ (99,245)	

**CITY OF KAUKAUNA, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Capital Projects (Continued)								
	Tax Incremental District #10	Tax Incremental District #11	Tax Incremental District #12	Environmental Remediation TID	Equipment	Pool and Parks	RDA	Buildings and Miscellaneous	Total
<b>REVENUES</b>									
Taxes	\$ 98,899	\$ -	\$ -	\$ 90,664	\$ -	\$ -	\$ -	\$ -	\$ 2,270,627
Intergovernmental	-	-	-	-	4,250	95,000	-	-	286,507
Public Charges for Services	-	-	-	-	-	-	-	-	506,258
Miscellaneous	-	-	-	-	22,929	89,966	9,379	13,249	998,394
Total Revenues	98,899	-	-	90,664	27,179	184,966	9,379	13,249	5,051,474
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	-	-	-	-	15,046	42,408
Public Safety	-	-	-	-	291,375	-	-	-	384,248
Public Works	-	-	-	-	-	-	-	385,072	633,152
Culture and Recreation	-	-	-	-	-	-	-	-	432,723
Conservation and Development	149	-	-	-	-	-	-	-	60,512
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	612	-	612
Capital Outlay	-	2,160	8,136	17,107	740,856	875,741	476	47,963	7,712,253
Total Expenditures	149	2,160	8,136	17,107	1,032,231	875,741	1,088	448,081	9,265,908
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	98,750	(2,160)	(8,136)	73,557	(1,005,052)	(690,775)	8,291	(434,832)	(4,214,434)
<b>OTHER FINANCING SOURCES (USES)</b>									
Long-Term Debt Issued	-	-	-	-	1,138,500	2,285,000	-	64,000	6,000,000
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	742,798	742,798
Transfers In	-	-	-	270,068	-	-	-	15,250	2,047,387
Transfers Out	(50,675)	-	-	(152,056)	-	-	(15,250)	(109,059)	(4,656,608)
Total Other Financing Sources (Uses)	(50,675)	-	-	118,012	1,138,500	2,285,000	(15,250)	712,989	4,133,577
<b>NET CHANGE IN FUND BALANCES</b>	48,075	(2,160)	(8,136)	191,569	133,448	1,594,225	(6,959)	278,157	(80,857)
Fund Balance - Beginning of Year	(165,313)	(13,114)	-	(750,222)	322,842	1,387,422	787,714	744,057	4,316,035
<b>FUND BALANCE - END OF YEAR</b>	\$ (117,238)	\$ (15,274)	\$ (8,136)	\$ (558,653)	\$ 456,290	\$ 2,981,647	\$ 780,755	\$ 1,022,214	\$ 4,235,178

**CITY OF KAUKAUNA, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE —**  
**BUDGET AND ACTUAL — DEBT SERVICE FUND**  
**YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 3,783,090	\$ 3,783,090	\$ 3,783,090	\$ -
<b>EXPENDITURES</b>				
Current				
Debt Service				
Principal	4,924,520	4,924,520	4,924,520	-
Interest and Fiscal Charges	1,433,775	1,433,775	1,575,031	(141,256)
Total Expenditures	6,358,295	6,358,295	6,499,551	(141,256)
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(2,575,205)	(2,575,205)	(2,716,461)	(141,256)
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on Debt Issued	348,293	348,293	292,346	(55,947)
Transfers In	2,228,363	2,228,363	2,228,363	-
Total Other Financing Sources (Uses)	2,576,656	2,576,656	2,520,709	(55,947)
<b>NET CHANGE IN FUND BALANCE</b>	1,451	1,451	(195,752)	(197,203)
Fund Balance - Beginning of Year	5,686,247	5,686,247	5,686,247	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,687,698</u>	<u>\$ 5,687,698</u>	<u>\$ 5,490,495</u>	<u>\$ (197,203)</u>

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

Preliminary Draft -  
Internal Discussions Only,  
Subject to Change

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Council  
City of Kaukauna  
Kaukauna, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Kaukauna, Wisconsin (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated REPORT DATE. Our report includes a reference to other auditors who audited the financial statements of Kaukauna Utilities, as described in our report on City of Kaukauna's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2022-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2022-001 to be a significant deficiency.

To the Honorable Mayor and City Council  
City of Kaukauna, Wisconsin

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***City of Kaukauna's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

### **CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
REPORT DATE

**CITY OF KAUKAUNA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2022**

***Internal Control Over Financial Reporting***

**FINDING NO.                      CONTROL DEFICIENCIES**

**2022-001                      Preparation of Annual Financial Report**

Type of Finding:      Significant Deficiency in Internal Control over Financial Reporting

Condition:              Management and the Board of the City share the ultimate responsibility for the City's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The City engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the City's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the City has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the City's activities and operations.

The City's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the City's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

Criteria or specific requirement:      The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.

Cause:                      City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect:                      The City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Repeat Finding:      This is a repeat of Finding 2021-001.



**CITY OF KAUKAUNA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

---

***Internal Control Over Financial Reporting (Continued)***

---

**2022-001                      Preparation of Annual Financial Report (Continued)**

Recommendation: We recommend the City continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the System's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.

Views of Responsible  
Officials and Planned

Corrective actions: Management believes that the cost of hiring additional staff to prepare year-end adjusting and closing entries and to prepare financial reports outweigh the benefits to be received. Management will continue to review financial statements and information prior to issuance.

**CITY OF KAUKAUNA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

***Internal Control Over Financial Reporting (Continued)***

<b>FINDING NO.</b>	<b>CONTROL DEFICIENCIES</b>
<b>2022-002</b>	<b>Adjustments to the City's Financial Records</b>
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the City's financial statements, including a prior period adjustment.
Criteria or Specific Requirements:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the City may contain material misstatements.
Repeat Finding:	This is a repeat of finding 2021-002.
Recommendation:	We recommend the City continue to review the adjusting and closing entries. We are available to assist the individual in obtaining the understanding of these entries.
Views of Responsible Officials and Planned Corrective Actions:	The Finance Director will continue to review adjusting and closing entries, as well as work to implement a month-end/year-end close process to minimize the amount of adjustments made to the City's Financial Records.

# Kaukauna Fire Department

## Fire Report - May 2023

Item 6.a.

### Incident Type: Fire

Code - Description	Number of Runs	Year to Date
100 - Fire, other	0	1
111 - Building Fire	0	5
113 - Cooking Fire, confined to container	1	4
142 - Brush or Brush And Grass Mixture	0	1
151 - Outside rubbish, trash or waste fire	0	1
154 - Dumpster or other outside trash receptable fire	1	1
<b>Total</b>	<b>2</b>	<b>13</b>

### Incident Type: Rescue & Emergency Medical Services

Code - Description	Number of Runs	Year to Date
321 - EMS Call	139	617
322 - Motor Vehicle Accident with Injuries	1	10
323 - Motor Vehicle/Pedestrian Accident	0	1
324 - Motor Vehicle Accident with No Injuries	1	9
381 - Rescue or EMS Standby	0	3
<b>Total</b>	<b>141</b>	<b>640</b>

### Incident Type: Rescue & Emergency Medical Services

Code - Description	Number of Runs	Year to Date
411 - Gasoline or other flammable liquid spill	1	1
412 - Gas leak (natural gas or LPG)	1	1
413 - Oil or other combustibile liquid spill	0	1
424 - Carbon Monoxide Incident	0	1
444 - Power Line Down	0	2
463 - Vehicle Accident, General Cleanup	0	3
<b>Total</b>	<b>2</b>	<b>9</b>

### Incident Type: Service Call

Code - Description	Number of Runs	Year to Date
500 - Service Call, Other	1	3
511 - Lock-out	2	11
520 - Water Problem, Other	1	2
531 - Smoke or Odor Removal	0	1
542 - Animal Rescue	1	2
550 - Public Service Assistance, Other	0	1
552 - Police Matter	0	1
561 - Unauthorized Burning	0	1
<b>Total</b>	<b>5</b>	<b>22</b>

## Fire Report - May 2023

**Incident Type: Good Intent Call**

Code - Description	Number of Runs	Year to Date
600 - Good intent call, other	1	3
611 - Dispatched and Canceled Enroute	7	21
631 - Authorized controlled burning	2	2
651 - Smoke scare, odor or smoke	0	4
<b>Total</b>	<b>10</b>	<b>30</b>

**Incident Type: False Alarm & False Call**

Code - Description	Number of Runs	Year to Date
700 - False alarm or false call, other	1	1
731 - Sprinkler Activation Due to Malfunction	1	2
733 - Smoke Detector Activation due to Malfunction	0	5
734 - Heat Detector Activation Due to Malfunction	0	1
735 - Alarm System Sounded due to Malfunction	0	4
736 - CO detector activation due to malfunction	0	2
743 - Smoke Detector Activation, No Fire - Unintentional	2	4
744 - Detector Activation, No Fire - Unintentional	1	2
745 - Alarm System Activation, No Fire - Unintentional	2	9
746 - Carbon Monoxide Detector Activation, No CO	0	3
<b>Total</b>	<b>7</b>	<b>33</b>

**Incident Type: Special Incident Type**

Code - Description	Number of Runs	Year to Date
911 - Citizen Complaint	2	3
<b>Total</b>	<b>2</b>	<b>3</b>

<b>Grand Total</b>	<b>169</b>	<b>750</b>
--------------------	------------	------------

**Fire Inspection Summary**

	Completed This Month	Year to Date
Inspections Completed	127	537
Violations Found	10	44
Violations Corrected	1	23

\* Reflects corrected YTD numbers

# Kaukauna Fire Department

## Ambulance Report - May 2023

Item 6.a.

### Runs by Municipality

City / Village / Town	Number of Runs	Year to Date
City of Kaukauna	126	535
Village of Combined Locks	14	66
Town of Holland	1	5
Village of Little Chute	2	3
Town of Grand Chute	2	4
City of Appleton	2	2
Village of Kimberly	1	1
<b>Total</b>	<b>148</b>	<b>616</b>

### Runs by County

County	Number of Runs	Year to Date
Outagamie	147	611
Brown	1	5
<b>Total</b>	<b>148</b>	<b>616</b>

### Runs by Disposition

Disposition	Number of Runs	Year to Date
Patient Treated, Transported by Kaukauna Fire	107	461
Patient Treated, Released	14	64
Patient Refused Evaluation/Care, No Transport	5	29
Patient Evaluated, No Treatment/Transport Required	12	27
Patient Dead at Scene - No Resuscitation Attempted	1	9
Patient Dead at Scene - Resuscitation Attempted	2	2
Canceled - Request Transferred to Another Provider	1	1
Canceled Prior to Arrival	6	12
Canceled on Scene, No Patient Found	0	5
Standby- No Services or Support Provided	0	4
Canceled on Scene, No Patient Contact	0	1
Standby- Public Safety, Fire, or EMS Operational Support Provided	0	1
<b>Total</b>	<b>148</b>	<b>616</b>

### Runs by Ambulance

Primary Unit	Number of Runs	Year to Date
First Out Ambulance	131	531
Second Out Ambulance	16	80
Third Out Ambulance	1	5
Engine Company	0	0
<b>Total</b>	<b>148</b>	<b>616</b>

Kaukauna Fire Department  
Ambulance Report - December 2022

Mutual Aid		
	Number of Runs	Year to Date
Provided	6	8
Received	0	0

Police calls generated by:		YTD
911 call	345	1,283
Officer initiated	652	2,887
Called general phone number	347	1,542
<b>TOTAL</b>	<b>1,344</b>	<b>5,712</b>
<b>Breakdown of calls:</b>		
ABANDONED VEHICLE	2	10
ACCIDENT	26	138
ALARMS	9	42
ALCOHOL OFFENSE	1	3
ANIMAL	39	142
ARSON	0	0
ASSISTS	141	667
ASSAULT	1	4
BURGLARY	3	8
CIVIL	0	0
CRIME PREVENTION	143	739
DAMAGE TO PROPERTY	12	38
DISTURBANCES	21	117
DOMESTIC	1	12
DRUGS	10	56
FIRE CALLS	14	54
FIREWORKS	0	1
FRAUD	13	41
HARASSMENT	14	33
HAZARD	8	45
JUVENILE	17	95
LOCKOUT	8	52
LOST & FOUND	14	51
MEDICAL	110	452
MISSING PERSON	0	2
OPEN DOOR	2	12
OPERATING WHILE INTOXICATED	4	16
ORDINANCE VIOLATIONS	11	41
PARKING	17	102
RECKLESS DRIVE COMPLAINT	29	116
SCHOOL SAFETY	54	238
SEX OFFENSE	10	30
SUICIDE; ATTEMPT, THREAT, COMPLETED	2	8
SUSPICIOUS PERSON, VEHICLE , SITUATION	24	157
THEFT	18	63
TRAFFIC	218	944
TRAFFIC SAFETY	3	11
TRESPASS	4	12
TRUANCY	0	15
VIOLATE COURT ORDER	5	21
WANTED PERSON OR APPREHENSION	6	24
WARNINGS	152	719
WEAPON	2	5
WELFARE CHECK	59	229
911 HANGUP/ASSIST	181	594
<b>total</b>	<b>1,408</b>	<b>6,159</b>
note- the difference between the totals is some calls have mulitple offenses		



**MUNICIPAL JUDGE  
COURT REPORT**

**MAY**

	<b>2023</b>	<b>2022</b>	<b>2023 CUMULATIVE</b>	<b>2022 CUMULATIVE</b>
FORFEITURES/MUNICIPAL ORDINANCE VIOLATIONS	\$5,515.73	\$5,778.64	\$38,084.40	\$28,660.90
MUNICIPAL COURT COSTS	\$2,000.97	\$2,648.64	\$14,947.66	\$11,250.66
PENALTY SURCHARGES	\$1,538.32	\$1,631.53	\$9,969.44	\$8,300.00
COUNTY JAIL SURCHARGES	\$533.58	\$797.54	\$3,989.63	\$3,257.60
DRIVER IMPROVEMENT SURCHARGES	\$650.74	\$1,050.51	\$8,911.76	\$5,013.89
CRIME LAB/DRUG ENFORCEMENT SURCHARGES	\$702.00	\$1,006.77	\$5,256.56	\$4,237.70
IGNITION INTERLOCK DEVICE SURCHARGE	\$0.00	\$0.00	\$100.00	\$100.00
SAFE RIDE PROGRAM	\$100.00	\$83.00	\$983.00	\$500.00
<b>TOTAL</b>	<b>\$11,041.34</b>	<b>\$12,996.63</b>	<b>\$82,242.45</b>	<b>\$61,320.75</b>

## Clerk-Treasurer Daily Deposit Report

Date	Deposit	Balance
5/1/2023	\$27,188.35	\$57,423.51
5/1/2023	\$150.00	\$30,235.16
5/1/2023	\$85.16	\$30,085.16
5/2/2023	\$4,317.50	\$34,595.50
5/2/2023	\$163.00	\$30,278.00
5/2/2023	\$115.00	\$30,115.00
5/3/2023	\$504,356.03	\$534,711.03
5/3/2023	\$355.00	\$30,355.00
5/4/2023	\$729.00	\$31,069.00
5/4/2023	\$340.00	\$30,340.00
5/5/2023	\$347.00	\$30,347.00
5/8/2023	\$15,358.30	\$49,007.90
5/8/2023	\$3,369.60	\$33,649.60
5/8/2023	\$150.00	\$30,280.00
5/8/2023	\$120.00	\$30,130.00
5/8/2023	\$10.00	\$30,010.00
5/9/2023	\$1,247.52	\$31,571.02
5/9/2023	\$193.50	\$30,323.50
5/9/2023	\$100.00	\$30,130.00
5/9/2023	\$30.00	\$30,030.00
5/10/2023	\$6,690.00	\$37,080.00
5/10/2023	\$390.00	\$30,390.00
5/11/2023	\$49,986.50	\$80,096.50
5/11/2023	\$110.00	\$30,110.00
5/12/2023	\$7,013.56	\$39,610.56
5/12/2023	\$2,372.00	\$32,597.00
5/12/2023	\$225.00	\$30,225.00
5/15/2023	\$28,767.50	\$59,077.50
5/15/2023	\$310.00	\$30,310.00
5/16/2023	\$42,718.64	\$73,033.64
5/16/2023	\$315.00	\$30,315.00
5/17/2023	\$1,120.70	\$31,273.20
5/17/2023	\$152.50	\$30,152.50
5/18/2023	\$1,150.50	\$31,207.50
5/18/2023	\$32.00	\$30,057.00
5/18/2023	\$25.00	\$30,025.00
5/19/2023	\$1,660.00	\$31,959.50
5/19/2023	\$182.00	\$30,299.50
5/19/2023	\$117.50	\$30,117.50
5/22/2023	\$1,207.00	\$31,362.00
5/22/2023	\$155.00	\$30,155.00
5/23/2023	\$9,133.45	\$39,303.45
5/23/2023	\$150.00	\$30,170.00

Month of : May

5/23/2023	\$20.00	\$30,020.00
5/24/2023	\$6,277.49	\$36,412.49
5/24/2023	\$135.00	\$30,135.00
5/25/2023	\$310.00	\$30,382.00
5/25/2023	\$50.00	\$30,072.00
5/25/2023	\$22.00	\$30,022.00
5/26/2023	\$2,133.69	\$32,818.49
5/26/2023	\$320.00	\$30,684.80
5/26/2023	\$244.80	\$30,364.80
5/26/2023	\$120.00	\$30,120.00
5/30/2023	\$438.80	\$63,773.32
5/30/2023	\$270.00	\$63,334.52
5/31/2023	\$3,039.87	\$33,450.37
5/31/2023	\$232.50	\$30,410.50
5/31/2023	\$165.00	\$30,178.00
5/31/2023	\$13.00	\$30,013.00

*Note: This deposit report includes all cash and checks that were handled/receipted in the clerk's office and deposited at close of business for the month indicated on the top of report*

Municipal address	Legal address	Category	Work type	Work target	Applicant	Owner	Status
2609 NATURE VIEW CT	NATURE VIEW PLAT LOT 5	Residential building	New	Single-family dwelling	Craig Van Asten	Cory Kuepper	Permit issued
3101 S WEILER RD	LOT 7 COUNTRY SIDE ESTATES	Residential building	Remodel	Single-family dwelling	Ashley Kolb	Ashley Kolb	Permit issued
406 W SIXTH ST	J & P BRILLS PLAT LOT 15 BLK 6	Driveway/ Culvert	Additional	Residential	JACOB EICHHORN	JACOB EICHHORN	Permit issued
2230 WALTON CT	LOT 7 EAGLE LINK	Accessory structures	Remodel	Deck	Randy Johnson	Kory Krueger	Construction started
201 NIKKI LA	LOT 14 INSIDE THE PARK PLACE	Residential building	New	Single-family dwelling	Jeremy Olmsted	Jeremy Olmsted	Construction started
2110 ANTELOPE TR	LOT 39 BLUE STEM MEADOWS 2	Electrical	Remodel	Open Frame	Mark Gezella	Mark Gezella	Permit issued
2110 ANTELOPE TR	LOT 39 BLUE STEM MEADOWS 2	HVAC	Remodel	Ductwork	Mark Gezella	Mark Gezella	Permit issued
2151 WHITE WOLF LA	LOT 32 BLUE STEM MEADOWS	Residential building	Remodel	Single-family dwelling	Kyle Hook, KYLE HOOK	KYLE HOOK	Permit issued
2015 ANTELOPE TR	WILDLIFE HEIGHTS LOT 122	Electrical	New	Open Frame	Jay Vosters	John Huss	Construction started
2971 S WEILER RD	LOT 2 COUNTRY SIDE ESTATES	HVAC	New	Heating	DIANE LAMERS	Troy Hartl	Construction started
2601 NATURE VIEW CT	NATURE VIEW PLAT LOT 4	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	William Geurts	Sam Kuen	Finished
3533 RIDGECREST LA	LOT 4 INSIDE THE PARK PLACE	Residential building	New	Single-family dwelling	Ali DeWitt	Scott DeWitt	Construction started
3533 RIDGECREST LA	LOT 4 INSIDE THE PARK PLACE	Electrical	New	Panel	Ali DeWitt	Scott DeWitt	Construction started
3533 RIDGECREST LA	LOT 4 INSIDE THE PARK PLACE	HVAC	New	Furnace	Ali DeWitt	Scott DeWitt	Permit issued
3533 RIDGECREST LA	LOT 4 INSIDE THE PARK PLACE	Plumbing	New	Other	Ali DeWitt	Scott DeWitt	Construction started

1365 GREYHOUND ST	LOT 53 HURKMAN HEIGHTS 3	Plumbing	New	Other	Andy Nielsen	Andy Nielsen	Construction started
31 ASH GROVE PL	LOT 4 ASH GROVE ESTATES	Plumbing	New	Other	Andy Nielsen, Rebecca Nielsen	Andy Nielsen	Permit issued
33 ASH GROVE PL	LOT 3 ASH GROVE ESTATES	Plumbing	New	Other	Andy Nielsen	Andy Nielsen	Permit issued
209 W THIRD ST	LOT 3 BLK 9 LEDYARD PLAT	Electrical	Repair	Service	Zach Schurer	Mark Omdal	Permit issued
4250 SPRINGCREST DR	HAEN MEADOWS LOT 16	Other structures	New	Fence	Britiny Kaas	Britiny Kaas	Permit issued
500 LAWE ST	LAW MEADE & BLACK ADDN ALL OF LOTS 1 & 2 & ALL LOTS 9 & 10 BLK 4 & PRT VAC CATHERINE ST & PRT LOTS 2 & 3 BLK 6 AS DESC IN 13070M28	Commercial building	Repair	Office Building	Sara Bourasaw	Sydney Hummell	Permit issued
116 W ANN ST	GREEN MEADOW PLAT NO 2 LOT 65	Electrical	New	Service	Anne Eisch	Charter Communications	Finished
604 IDLEWILD ST	D S K HYLAND HEIGHTS LOT 49	HVAC	Repair	A/C	Jeff Ring	Jeff Ring	Permit issued
537 W HENRY ST	FIRST ADDN TO THELEN ESTATES LOT 103 13585M35	Other structures	New	Fence	Steve Leick	Steve Leick	Permit issued
400 W EIGHTH ST	LOT 16 BLK 8 J & P BRILLS PLAT	Zoning	New	Fence	Kendra Hietpas	Kendra Hietpas	Permit issued
2051 ANTELOPE TR	WILDLIFE HEIGHTS LOT 117	Electrical	New	Open Frame	Jay Vosters	John Huss	Construction started

1201 MALONEY RD	CSM 1281 LOT 1 (PLATTED OUT OF PC34-21-18) 1.37AC M/L (WAS #200 055702)	Accessory structures	Remodel	Siding	Dustin Marks	Rushub Inc	Permit issued
2649 NORTHRIDGE DR	CSM 5635 LOT 2 (PLATTED OUT OF PRT LOT 24 & 25 KAUKAUNA INDUSTRIAL PARK NORTH PHASE II SEC12-21-18) 1.64AC M/L	Electrical	New	Open Frame	Dwayne Hipke	Mike Milbach	Permit issued
813 GRIGNON ST	SUBD PC #35 ASSRS PLT SW1/2 OF LOT A BLK 66 LESS NW32FT THEREOF	Other structures	New	Fence	Jordan Engle, Emily Gleason	Emily Gleason	Permit issued
2080 ANTELOPE TR	WILDLIFE HEIGHTS LOT 111	Plumbing	New	Other	Derek Schaffer	LISA SCHMIDT	Permit issued
2070 ANTELOPE TR	WILDLIFE HEIGHTS LOT 110	Plumbing	New	Other	Derek Schaffer	Lisa Schmidt	Permit issued
1510 GREEN BAY RD	JAS BLACKS SUBD OF PC33 BETW GREEN BAY RD & PLANK RD LOT 7 BLK 1 & PARCEL 28 TPP NO: 4075-33-21- 4.04 DOC #2124110 LESS DEED REC IN DOC #2163956	Electrical	New	Service	Kyle Miller	Anna Peters	Construction started
1890 BEAR PAW TR	WILDLIFE HEIGHTS LOT 84	Accessory structures	New	Deck	Corey Reinhard	Corey Reinhard	Permit issued

926 LAWE ST	THILMANY PLAT LOT 19 BLK 1	Other structures	New	Fence	Daniel Morell	Daniel Morell	Permit issued
200 W SIXTH ST	BLACKWELL BROS ADDN LOT 7 BLK 1 & E20FT LOT 8 BLK 1	Zoning	Addition	Fence	Angela Cribben, Steve Tomasovic	Angela Cribben, Steve Tomasovic	Permit issued
2415 MAIN AV	LOT 21 DONORY	Other structures	New	Other	Travis Hollingsworth	Travis Hollingsworth	Permit issued
1215 E HYLAND AV	LOT 1 CSM 3651 EXCPTG ROW IN DOC #2099252, LESS PRT DESC IN DOC #2283586	Plumbing	New	Other	Erika Johnson	Mark Kleist	Permit issued
1365 GREYHOUND ST	LOT 53 HURKMAN HEIGHTS 3	HVAC	New	Heating	Jeff Berken	Mark Lemke	Construction started
2032 ANTELOPE TR	WILDLIFE HEIGHTS LOT 106	HVAC	New	Furnace	John Kramer	Lisa Schmidt	Construction started
2160 WHITE WOLF LA	LOT 16 BLUE STEM MEADOWS	HVAC	Remodel	Ductwork	John Kramer	Yer Yang	Construction started
1365 GREYHOUND ST	LOT 53 HURKMAN HEIGHTS 3	Electrical	New	Open Frame	Eric Hartjes	mark lemke	Construction started
3308 RIDGECREST LA	SECOND ADDITION TO FIELDCREST SUBDIVISION LOT 181	Electrical	New	Service	Rick Steffens	Phil Romenesko	Permit issued
2017 ANTELOPE TR	WILDLIFE HEIGHTS LOT 121	Residential building	New	Single-family dwelling	Marcus Wojtowicz	Marcus Wojtowicz	Permit issued
2013 ANTELOPE TR	WILDLIFE HEIGHTS LOT 123	Electrical	New	Open Frame	Jay Vosters	John Huss	Construction started
2401 LAVERNE LA	JONEN-BIES PLAT LOT 2 BLK 1	Plumbing	Replacement	Water Heater	JASON QUANDT	Dean Walker	Permit issued



153 E THIRD ST	LEDYARD PLAT LOT 7 & SELY 6.5FT LOT 6 & SELY 56 1/2FT LOT 15 & SLY 20FT OF LOT 5 & SLY 20FT OF WLY 43.5FT LOT 15 TID 2	Electrical	Remodel	Open Frame	Wyatt Wallace	Bill Vosters	Construction started
2940 S WEILER RD	LOT 3 CSM 8327	Electrical	New	Open Frame	Kevin Schuh	riley Vander wyst	Construction started
2041 ANTELOPE TR	WILDLIFE HEIGHTS LOT 118	Electrical	New	Open Frame	Kevin Schuh	Brian Renaud	Permit issued
2201 ANTELOPE TR	LOT 55 BLUE STEM MEADOWS 2	Electrical	Remodel	Service	Kevin Schuh	Troy Hartel	Permit issued
2113 PARKWOOD DR	PARKWOOD LOT 4 948R527	Other structures	New	Fence	Candice Maki	Candice Maki	Permit issued
1407 MERA LA	LOT 40 WILDENBERG NORTH 2	Accessory structures	New	Shed	Dennis Wachtendonk	Dennis Wachtendonk	Permit issued
2071 ANTELOPE TR	WILDLIFE HEIGHTS LOT 115	Residential building	New	Single-family dwelling	Arlen Baumann	Arlen Baumann	Permit issued
2060 ANTELOPE TR	WILDLIFE HEIGHTS LOT 109	Residential building	New	Single-family dwelling	Arlen Baumann	Arlen Baumann	Permit issued
2961 S WEILER RD	LOT 1 COUNTRY SIDE ESTATES	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	Ryan Jelovnik	Ryan Jelovnik	Finished
2900 S WEILER RD	LOT 36 COUNTRY SIDE ESTATES	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	Ryan Jelovnik	Ryan Jelovnik	Permit issued

1942 DEBRUIN RD	LOT 1 CSM 7393	Other structures	New	Fence	Gary Funk	Gary Funk	Permit issued
3301 S WEILER RD	LOT 14 COUNTRY SIDE ESTATES	Other structures	New	Fence	John Swinconos, Melissa Swinconos	Melissa Swinconos	Permit issued
2017 BEAR PAW TR	WILDLIFE HEIGHTS LOT 147	Residential building	New	Single-family dwelling	Bryan Renaud	Bryan Renaud	Construction started
1320 BOXER ST	LOT 62 HURKMAN HEIGHTS 3	Other structures	New	Fence	Jacquelyn Stephan	Jacquelyn Stephan	Permit issued
500 W ANN ST	THELEN ESTATES LOTS 7, 9 & 10	Other structures	New	Fence	Sami Khatib	Sami Khatib	Permit issued
214 W FIFTH ST	LEDYARD PLAT LOT 9 BLK 18	Electrical	Remodel	Underground	Paul Schuh	Paul Schuh	Permit issued
2961 S WEILER RD	LOT 1 COUNTRY SIDE ESTATES	Residential building	New	Single-family dwelling	Riley Vander Wyst	Riley Vander Wyst	Permit issued
2041 ANTELOPE TR	WILDLIFE HEIGHTS LOT 118	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	Ryan Peterson	Brian Renaud	Finished
3533 RIDGECREST LA	LOT 4 INSIDE THE PARK PLACE	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	Ryan Peterson	Scott Dewitt	Construction started
1844 COBBLESTONE CT	LOT 86 THIRD ADDITION TO FARMVIEW VILLAGE	Other structures	New	Other	Thomas Diedrich	Julie Carlson	Permit issued
2015 ANTELOPE TR	WILDLIFE HEIGHTS LOT 122	Plumbing	New	Other	Brittney Pauley	JON HUSS	Construction started

616 WALTER ST	D S K HYLAND HEIGHTS LOT 33 11123M59	Other structures	New	Concrete Slab	Jordan Vande Yacht	Trent Deering	Permit issued
616 WALTER ST	D S K HYLAND HEIGHTS LOT 33 11123M59	Other structures	Remodel	Fence	Jordan Vande Yacht	Trent Deering	Permit issued
1220 HILLCREST DR	ASSESSORS PLAT COM INTRS W/L LOT B & NLY/L HY Q N80FT E120 FT S136.34FT TO NLY/L HY NWLY ALG HY 132.57FT TO BEG PRT LOT B GOV LOT 5 SEC21 T21N R18E .30AC M/L 17766M8	Plumbing	Replacement	Other	Scott Fields	Randy Mlodzik	Permit issued
2817 HENDRICKS AV	LOT 49 FIELDCREST SUBD	Plumbing	Replacement	Water Heater	Black-Haak Heating	Josh Lutter	Permit issued
156 GRANT ST	LOT 12 BLK B BLACK PLAT OF PRT PC #33	HVAC	Remodel	Furnace	Black-Haak Heating	David Froechlich	Permit issued
3650 RIDGECREST LA	LOT 24 INSIDE THE PARK PLACE	Residential building	New	Single-family dwelling	Jason Selig	Jason Selig	Construction started
264 W WISCONSIN AV	CSM 4685 LOT 1 (PLATTED OUT OF PRT LOTS 7, 8, 9, 10, 11 12 & PRT LOT 13 BLK 12 LAWE MEADE & BLACKS ADDN) 1.30AC M/L	Electrical	Remodel	Open Frame	Andrew Boucher, Andrew Boucher	John Brogan	Construction started

153 E THIRD ST	LEDYARD PLAT LOT 7 & SELY 6.5FT LOT 6 & SELY 56 1/2FT LOT 15 & SLY 20FT OF LOT 5 & SLY 20FT OF WLY 43.5FT LOT 15 TID 2	Commercial building	Remodel	Office Building	Bill Vosters	Bill Vosters	Construction started
2051 ANTELOPE TR	WILDLIFE HEIGHTS LOT 117	HVAC	New	Furnace	Shana Shepard	Jon Huss	Permit issued
2013 ANTELOPE TR	WILDLIFE HEIGHTS LOT 123	HVAC	New	Furnace	Shana Shepard	Jon Huss	Permit issued
647 SUNSET AV	BOWERS NORTH PLAT LOT 11 BLK 4 DR DIST .29AC 1002R32	Plumbing	Remodel	Other	Ryan Petersen	Jerry VanEvenHoven	Permit issued
811 JOSHUA ST	THIRD ADDITION TO FARMVIEW VILLAGE LOT 81	Electrical	New	Open Frame	Grant Waters	River Reiner	Construction started
26 ASH GROVE PL	LOT 14 ASH GROVE ESTATES	Plumbing	New	Other	Andy Nielsen	Marcus McGuire	Construction started
217 DIEDRICH ST	A.C. BLACKS ADDITION LOT 6 BLK 1	Accessory structures	New	Deck	Alan Swatloski	Alan Swatloski	Permit issued
3650 RIDGECREST LA	LOT 24 INSIDE THE PARK PLACE	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	Joan Klister, Jason Selig	Jason Selig	Finished

1514 GREEN BAY RD	JAS BLACKS SUBD OF PC33 BETW GREEN BAY RD AND PLANK RD LOT 8 BLK 1 EXCPTG ROW IN #2147717	Plumbing	Replacement	Water Heater	TUREKS PLUMBING	RICK GARZA	Permit issued
2601 NATURE VIEW CT	NATURE VIEW PLAT LOT 4	Plumbing	New	Other	Alex Zelinski	Sam Kuen	Construction started
2017 BEAR PAW TR	WILDLIFE HEIGHTS LOT 147	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	Ryan Peterson	Brian Renaud	Finished
2071 ANTELOPE TR	WILDLIFE HEIGHTS LOT 115	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	Ryan Peterson	Arlen Baumann	Permit issued
2060 ANTELOPE TR	WILDLIFE HEIGHTS LOT 109	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	Ryan Peterson	Arlen Baumann	Finished
2961 S WEILER RD	LOT 1 COUNTRY SIDE ESTATES	HVAC	New	Heating	DIANE LAMERS	Riley Vander WYST	Permit issued
2014 BEAR PAW TRAIL	WILDLIFE HEIGHTS LOT 128	Residential building	New	Single-family dwelling	Jeremy Olmsted	Jeremy Olmsted	Permit issued
2031 BEAR PAW TR	WILDLIFE HEIGHTS LOT 145	Residential building	New	Single-family dwelling	Jeremy Olmsted	Jeremy Olmsted	Permit issued
2012 ANTELOPE TR	WILDLIFE HEIGHTS LOT 101	Residential building	New	Single-family dwelling	Jeremy Olmsted	Jeremy Olmsted	Permit issued

131 DEFOREST DR	LOT 200 SECOND ADDITION TO FIELDCREST SUBDIVISION	Other structures	New	Fence	Larry Derusha	Larry Derusha	Permit issued
1420 WILDENBERG DR	WILDENBERG ESTATES LOT 29 DR DIST .32AC (WAS PRT #200 027900)	Other structures	New	Fence	Joseph Resch	Joseph Resch	Permit issued
1508 OAKRIDGE AV	VAN DAALWYK SUBD NO 2 ALL LOT LOT 3 BLK 2 & S1/2 LOT 2 BLK 2	Other structures	New	Other	Christian Klarich	Christian Klarich	Permit issued
709 WESTFIELD ST	FIRST ADDITION TO WESTFIELD ESTATES LOT 70	Other structures	New	Fence	Anthony Megna Jr	Anthony Megna Jr	Permit issued
2601 NATURE VIEW CT	NATURE VIEW PLAT LOT 4	Electrical	New	Service	Grant Waters	Sam Kuen	Construction started
233 BROTHERS ST	LAW MEADE BLACK ADDN LOT 9 BLK 19	Storm Sewer/ Waters / Sanitary laterals	Replacement	Sanitary	Kirk Popp	Katie Galoff	Permit issued
223 W SIXTH ST	LOT 1 BLK 2 BLACKWELL BROS ADDN	Other structures	New	Fence	Patricia Zuge, Tricia Zuge	Tricia Zuge	Permit issued
1931 ANTELOPE TR	WILDLIFE HEIGHTS LOT 95	Accessory structures	Addition	Shed	Michael Parker	Michael Parker	Finished
2601 NATURE VIEW CT	NATURE VIEW PLAT LOT 4	HVAC	New	Heating	Adam Peters, Adam Peters	Sam Kuen	Permit issued
552 LINDA CT	LOT 22 THELEN ESTATES	Other structures	New	Fence	Pat Jonen	Pat Jonen	Permit issued
2525 CAMDEN WAY	MANCHESTER ESTATES LOT 21	Other structures	New	Fence	Jared Schmidt	Jared Schmidt	Permit issued

650 LEMONGRASS WAY	HAEN MEADOWS LOT 18	Other structures	New	Fence	Chris Price, Chris Price, chris price	chris price	Permit issued
2091 ANTELOPE TR	WILDLIFE HEIGHTS LOT 113	Residential building	New	Single-family dwelling	Lisa Schmidt	Lisa Schmidt	Construction started
500 W SIXTH ST	LOT 14 BLK 2 JOHN & PETER BRILLS ADDITION	Electrical	Remodel	Service	Joe Vincent	Mike Krokes	Construction started
2090 ANTELOPE TR	WILDLIFE HEIGHTS LOT 112	Residential building	New	Single-family dwelling	Lisa Schmidt, Lisa Schmidt	Lisa Schmidt	Permit issued
961 SETTER DR	LOT 69 HURKMAN HEIGHTS 3	Other structures	New	Fence	Jeremy Olmsted	Jeremy Olmsted	Permit issued
2090 BEAR PAW TR	WILDLIFE HEIGHTS LOT 138	Residential building	New	Single-family dwelling	Lisa Schmidt	Lisa Schmidt	Permit issued
2070 ANTELOPE TR	WILDLIFE HEIGHTS LOT 110	Storm Sewer/ Waters / Sanitary laterals	New	Water, storm and sanitary	Andy Parker	Lisa Schmidt	Permit issued
2091 BEAR PAW TR	WILDLIFE HEIGHTS LOT 139	Residential building	New	Single-family dwelling	Lisa Schmidt	Lisa Schmidt	Permit issued
1607 PEACH TREE CT	SECOND ADDITION TO THE ORCHARD LOT 34	Residential building	Remodel	Single-family dwelling	Richard Rajchel	James Lillian	Permit issued
2013 ANTELOPE TR	WILDLIFE HEIGHTS LOT 123	Plumbing	New	Other	Brittney Pauley	JON HUSS	Construction started
2051 ANTELOPE TR	WILDLIFE HEIGHTS LOT 117	Plumbing	New	Other	Brittney Pauley	JON HUSS	Construction started
2961 S WEILER RD	LOT 1 COUNTRY SIDE ESTATES	Electrical	New	Open Frame	Kevin Schuh	Riley Vanderwyst	Permit issued



221 W TENTH ST	BLACKWELL BROS ADDN REPLAT OF BLK 6 N159.78FT OF LOT 1 BLK 6 LESS S12FT	Other structures	New	Fence	Daniel Kohl	Daniel Kohl	Permit issued
2017 BEAR PAW TR	WILDLIFE HEIGHTS LOT 147	Electrical	New	Open Frame	Kevin Schuh	Bryan Renaud	Construction started
3240 S WEILER RD	LOT 17 COUNTRY SIDE ESTATES	Residential building	New	Single-family dwelling	Max Lasee	Max Lasee	Permit issued
2720 MEADOWVIEW ST	REPLAT OF MEADOWVIEW SUBDIVISION LOT 16 BLK 4	Residential building	Remodel	Single-family dwelling	Sara Bourasaw	Robert Kiser	Permit issued
2071 ANTELOPE TR	WILDLIFE HEIGHTS LOT 115	Plumbing	New	Municipal connection	Timothy Rausch	Arlen Baumann	Permit issued
2060 ANTELOPE TR	WILDLIFE HEIGHTS LOT 109	Plumbing	New	Municipal connection	Timothy Rausch	Arlen Baumann	Permit issued
2090 ANTELOPE TR	WILDLIFE HEIGHTS LOT 112	Electrical	New	Open Frame	Lisa Hidde	Schmidt Brothers	Permit issued
2091 ANTELOPE TR	WILDLIFE HEIGHTS LOT 113	Electrical	New	Open Frame	Lisa Hidde	Schmidt Brothers	Permit issued
2090 BEAR PAW TR	WILDLIFE HEIGHTS LOT 138	Electrical	New	Open Frame	Lisa Hidde	Schmidt Brothers	Permit issued
2091 BEAR PAW TR	WILDLIFE HEIGHTS LOT 139	Electrical	New	Open Frame	Lisa Hidde	Schmidt Brothers	Permit issued

## BOARD OF PUBLIC WORKS

A meeting of the Board of Public Works was called to order by Chair Thiele on Monday, June 19, 2023 at 6:00 P.M.

Members present: Antoine, Coenen, DeCoster, Eggleston, Kilgas, Moore, Schell, and Thiele.

Also present: Mayor Penterman (via ZOOM), DPW/Eng. Neumeier, Fire Chief Carrel and interested citizens.

### 1. Correspondence – none.

### 2. Discussion Topics.

#### a. Authorization to seek bids for Project 11-22 Jonen Park Pavilion Re-Bid.

City Staff have been working with McMahon Associates to develop a modified building plan, alternative bid items and specifications for the construction of a pavilion at Jonen Park. Items removed from the previous design, now to be bid as alternates include: plumbing fixtures, painting, concession casework, landscaping, removed insulation under concrete slab, removed face brick and insulation at exterior, and HVAC ventilation only. Estimated cost of this project is \$500,000. We would anticipate an August bid opening and construction schedule of Fall 2023-Summer 2024 to be ready for next summer park use. Questions from the Board were answered.

Motion by Moore, seconded by Antoine to authorize the Engineering Department to seek bids for Project 11-22 – Jonen Park Pavilion Re-Bid.

All Ald. voted aye.

Motion carried.

#### b. Authorization to seek bids for Project 12-23 Wisconsin Avenue Seawall.

City staff and McMahon have been obtaining funding for the Wisconsin Avenue Seawall Project. With most of the project funds in place from grants and the remaining funds borrowed for, we are seeking authorization to finalize a bid package and seek bids. The project has strong support from Fox Locks. Adding a decorative light and a nautical outlet were suggestions made for this project. We are waiting for provisions from State Historic Preservation before we can accept bids. We would anticipate a Fall 2023 bid opening and construction schedule of Fall 2023-Summer 2024. Questions from the Board were answered.

Motion by DeCoster, seconded by Eggleston to authorize the Engineering Department to seek bids for Project 12-23 – Wisconsin Avenue Seawall.

All Ald. voted aye.

Motion carried.

#### c. Update on Public Service Commission Complaint.

DPW/Eng. Neumeier stated the Public Service Commission (PSC) authorized an investigation into HOV and the City's complaint. This triggers a possibility for other parties to join the HOV. We did see a motion for party status from Little Chute and Kimberly. This is all public information on the PSC website.

#### d. Public Works Update.

DPW/Eng. Neumeier updated the Board on current projects. The street patch on Highway 55 is three quarters complete. Some utility work will take place later this summer to finish up the project. Street paving has been pushed back until late next week or the following week in the new neighborhoods of Hurkman Heights. The chip seal coat project in Blue Stem Meadows and Wildlife Heights subdivisions are tentatively scheduled to start on Tuesday, June 27. Once the

start time is finalized notices will go out to abutting residents.

Alder Moore thanked Senior Project Engineer Bodoh for sending out weekly updates.

### **3. Adjourn.**

Motion made by Kilgas, seconded by Coenen to adjourn.

All members present voted aye.

Motion carried.

Meeting adjourned at 6:24 p.m.

Sally Kenney

Clerk

## HEALTH AND RECREATION COMMITTEE

A meeting of the Health and Recreation Committee was called to order by Chair Kilgas on Monday, June 19, 2023 at 6:24 P.M.

Members present: Coenen, DeCoster, Kilgas and Schell.

Also present: Mayor Penterman (via ZOOM), Ald. Antoine, Ald. Eggleston, Ald. Moore, Ald. Thiele, DPW/Eng. Neumeier, Fire Chief Carrel, and interested citizens.

### 1. Correspondence – None.

### 2. Discussion Topics.

#### a. Tavern Report.

Overall, it was a good year. Questions from the Committee were answered.

Motion by Coenen, seconded by Schell to receive and place on file the Tavern Report.

All members voted aye.

Motion carried.

#### b. 2023-2024 Beer and Liquor Licenses.

The list was distributed. They have all been approved except for two establishments still waiting on Department approval and one establishment who did not apply. Questions from the Committee were answered.

Motion by DeCoster, seconded by Schell, to grant the 2023-2024 Beer and Liquor Licenses provided all contingencies are met.

All members voted aye.

Motion carried.

#### c. 2023-2024 Outdoor Alcoholic Beverage Area Permits.

Motion by Coenen, seconded by DeCoster to approve the 2023-2024 Outdoor Alcoholic Beverage Area Permits provided all contingencies are met.

All members voted aye.

Motion carried.

#### d. 2023-2024 Sidewalk Display and Sidewalk Café Permits.

Motion by DeCoster, seconded by Schell to approve the 2023-2024 Sidewalk Café Permits.

All members voted aye.

Motion carried.

#### e. Temporary Class "B" License to St. Paul Elder Services, 316 E. 14<sup>th</sup> Street, on June 28, 2023 for Brat Fry – Alzheimer's Fundraiser.

Motion by DeCoster, seconded by Coenen to approve the Temporary Class "B" License to St. Paul Elder Services, 316 E. 14<sup>th</sup> Street, on June 28, 2023 for Brat Fry – Alzheimer's Fundraiser.

All members voted aye.

Motion carried.

#### f. Amplified Music request to Debra Schultz, Peace United Methodist Church on July 9, 2023 from 8:00am to 11:00am at Riverside Park for a Church Service and Family Picnic.

Motion by Coenen, seconded by Schell to approve the Amplified Music request to Debra Schultz, Peace United Methodist Church on July 9, 2023 from 8:00am to 11:00am at Riverside Park for a Church Service and Family Picnic.

All members voted aye.  
Motion carried.

**g. Amplified Music request to Ashley Thiem-Menning, Kaukauna Public Library on July 12, 2023 from 10:00am to Noon for the Touch a Truck Event at Hydro Park.**  
Item pulled.

**h. Temporary allowance of farm animals at Hydro Park for petting zoo at Touch a Truck Event, July 12, 2023 from 10:00am to Noon.**

Motion by Schell, seconded by Coenen to approve the Temporary allowance of farm animals at Hydro Park for petting zoo at Touch a Truck Event, July 12, 2023 from 10:00am to Noon.  
All members voted aye.  
Motion carried.

**i. Fireworks application submitted by Happy Fireworks, LLC for the sale of fireworks at 200 Lawe Street.**

Motion by Coenen, seconded by Schell to approve the Fireworks application submitted by Happy Fireworks, LLC for the sale of fireworks at 200 Lawe Street contingent upon Fire Department approval.  
All members voted aye.  
Motion carried.

### **3. Adjourn.**

Motion made by DeCoster, seconded by Coenen to adjourn.  
All members voted aye.  
Motion carried.

The meeting adjourned at 6:34 P.M.

Sally Kenney  
Clerk

## LEGISLATIVE COMMITTEE

A meeting of the Legislative Committee was called to order by Chair Coenen on Monday, June 19, 2023 at 6:35 P.M.

Members present: Coenen, Eggleston, Moore, and Schell.

Also present: Mayor Penterman (Via Zoom), Ald. DeCoster, Kilgas, Antoine, Thiele, DPW/Eng. Neumeier, Fire Chief Carrel and interested citizens.

1. **Correspondence** - None.
2. **Discussion Topics.**
  - a. **Ordinance 1883-2023 Creating Section 3.18 Special Charges.**

Mayor Penterman stated Finance Director Van Rossum presented the to the Council a memo in May of 2023 regarding the creation of this special charge ordinance. The Common Council then directed legal to draft Ordinance 1883-2023 and put it into the appropriate section of the Municipal Code. The reason for creating this code is due to the increase in abatements with code violations. Home owners who refuse to take action on their own would be charged by the City for the cleanup. Special charges cannot be transferred to the tax roll, so this allows the City to offer a payment plan to our residents who have abatement charges. Questions from the Board were answered.

Motion by Eggleston, seconded by Moore to recommend approval of the proposed ordinance, 1883-2023 Creating Section 3.18 Special Charges to the Common Council.

All members voted aye.

Motion carried.

3. **General Matters** – none.

4. **Adjourn.**

Motion by Moore, seconded by Schell to adjourn.

All members voted aye.

Motion carried.

Meeting adjourned at 6:39 p.m.

Sally Kenney, Clerk

## **PUBLIC PROTECTION AND SAFETY COMMITTEE**

A meeting of the Public Protection and Safety Committee was called to order by Chairman DeCoster on Monday, June 19, 2023 at 6:39 P.M.

Members present: Antoine, DeCoster, Kilgas, Thiele.

Also present: Mayor Penterman (via ZOOM), Ald. Coenen, Ald. Eggleston, Ald. Moore, Ald. Schell, DPW/Eng. Neumeier, Fire Chief Carrel, and interested citizens.

1. **Correspondence** - None.

2. **Discussion Topics.**

**a. Equipment Sharing Agreement – Fire Department.**

The purpose of this Agreement is to create a system for the occasional and temporary sharing of motor vehicles, equipment, tools and machinery (collectively referred to in this agreement as “Equipment”) between the Parties for efficiency and effectiveness of operations. The Parties agree to make available to each other vehicles, equipment, tools, machinery, and related items in the manner and pursuant to the terms and conditions provided in the agreement. A Party supplying Equipment shall be designated the “Provider.” A Party receiving Equipment shall be designated the “Borrower.”

This item is informational only. A few clarifications need to be made by the legal department before bringing this item back to the Public Protection and Safety Committee in July.

3. **General Matters** - none.

4. **Adjourn.**

Motion by Thiele, seconded by Kilgas to adjourn.

All members voted aye.

Motion carried.

Meeting adjourned at 6:49 p.m.

Sally Kenney  
Clerk

## BOARD OF APPEALS

A Meeting of The Board of Appeals was called to order by Chairman Kavanaugh at 4:00 P.M. on Wednesday, June 7, 2023.

Members present: Brandt, Hennes, Kavanaugh, Nisler, Vandeberg and Werschem.

Absent & Excused: Fallona

Also Present: Planning/Eng. Tech. Holmes, Building Inspector Jensen, and Clerk Kenney.

Motion by Brandt, seconded by Vandenberg to excuse the absent member.

All members present voted aye.

Motion carried.

Clerk Kenney read the official published ad relative to the appeal of Phil Kussart 1001 State Street, Kaukauna, WI 54130 has applied for a variance to the Zoning Board of Appeals for a decision of the City Building inspector as follows:

ADDRESS OF AFFECTED PARCEL: 1001 State Street, Kaukauna, WI 54130

The applicant is requesting a variance to increase the maximum side wall height of a new detached garage in the rear yard. The proposed side wall height is thirteen feet, whereas Kaukauna Municipal Ordinance Section 17.16 4. b. (2) (A) maximum side wall height of ten feet.

Property owner Phil Kussart was sworn in.

Planning/Eng. Tech. Holmes stated this property does not have an unusual or unique characteristic which creates a hardship. The granting of this variance will not have significant adverse impacts on neighboring properties if the garage is used solely for the homeowner's stated purpose. The applicant wishes to have a taller sidewall in this new detached garage for the installation of a car lift. The applicant only plans on working on his own vehicles in the garage. There is no intention of running a car repair business out of this garage and would not be allowed by code as a home occupation.

Motion by Hennes, seconded by Vandeberg to grant the variance to Phil Kussart, 1001 State Street, Kaukauna, WI 54130 with the stipulation that no car repair business is run out of this garage.

Upon roll call, aye: Brandt – aye., Hennes – aye, Kavanaugh – aye, Nisler – aye, Vandeberg – aye., Werschem – nay.

Motion carried 5-1.

Motion by Werschem, seconded by Hennes to adjourn.

All members present voted aye.

Motion carried.

Meeting adjourned at 4:10 P.M.

Sally Kenney, Clerk



## MINUTES

### HEART OF THE VALLEY METROPOLITAN SEWERAGE DISTRICT REGULAR MEETING HELD ON MAY 9, 2023 AT THE HEART OF THE VALLEY MSD MEETING ROOM

**Members Present:** David Casper - President  
Bruce Siebers - Vice President  
Patrick Hennessey - Secretary  
John Sundelius - Commissioner  
Kevin Coffey - Commissioner

**Absent:** None

**Also Present:** Brian Helminger - District Director HOVMSD  
Dawn Bartel - Office Manager HOVMSD  
Kevin Skogman - Director of Operations & Maintenance HOVMSD  
Chad Giackino - Regulatory Compliance Manager HOVMSD  
John Neumeier - City of Kaukauna  
Greg Heino - Erickson & Associates  
Steve Sticklen - Donohue (remote)  
Mike Gerbitz - Donohue

#### 1. 5:00 p.m. Call to Order – Roll Call

President Casper called the meeting to order at 5:00 PM.

#### 2. Public Appearances

No appearances were made.

#### 3. Approval of the Minutes of the April 11, 2023 Regular Meeting

The minutes of the April 11, 2023 Regular Meeting were presented to the Commission. A motion was made by Commissioner Coffey and seconded by Commissioner Siebers to approve the minutes as written. Motion carried unanimously. The minutes were reviewed and pre-approved by Secretary Hennessey.

#### 4. Correspondence

There was no correspondence to report for the record.

#### 5. General Discussion Items

##### A. 2022 Audit Presentation – Greg Heino of Erickson & Associates

Greg Heino of Erickson & Associates reviewed the audited financial statements dated 12/31/2022. A motion was made by Commissioner Casper seconded by Commissioner Sundelius to accept the 2022 audited financial statements, management letter, and communication letter, as prepared and presented by Erickson & Associates. A roll call vote was taken: Commissioner Sundelius, yes; Commissioner Coffey, yes; Commissioner Casper, yes; Commissioner Hennessey, yes; and Commissioner Siebers, yes. Motion carried.

### **B. 3-Year Contract with Erickson & Associates; Discussion & Possible Action**

After a review of the 3-year proposal provided by Erickson & Associates, a motion was made by Commissioner Coffey and seconded by Commissioner Hennessey to approve the contract as follows: 2023 @ \$15,500; 2024 @ \$15,700; 2025 @ \$15,900. A roll call vote was taken: Commissioner Sundelius, yes; Commissioner Coffey, yes; Commissioner Casper, yes; Commissioner Hennessey, yes; and Commissioner Siebers, yes. Motion carried.

### **C. 2022 Antecedent Moisture Model I/I Analysis – Mike Gerbitz & Steve Sticklen**

Mike Gerbitz and Steve Sticklen of Donohue reviewed a power point presentation showing the differences between the previous antecedent moisture model and the new MikeUrban model. The MikeUrban program is used nationwide and is an advanced model that is readily available off the shelf. Its improved technology provides industry standard metrics that are easier to understand and can be compared to other MikeUrban users nationwide. MikeUrban allows for more sophisticated and predictive simulations using up to 50 years of weather data. The Commission asked Donohue to make a presentation at the community meeting on May 17<sup>th</sup>, keeping the information in a general format, then meet individually with each community to discuss individualized data and results.

### **D. Effluent Filtration Project – Monthly Activity Report**

District Director Helminger reviewed a project status report from Donohue detailing construction activities and progress photos from March 26 – April 22, 2023. Helminger noted that construction is progressing timely and the six filters are onsite with installation expected next week.

### **-Change Order for Hauled Waste Tank Rehab; Discussion & Possible Action**

The Commission received a memo from Scott Hermesen of Donohue regarding options to rehabilitate the hauled waste tank which is showing significant corrosion and deterioration. The preferred method, a cast-in-place concrete cover with a tank liner coating is approximately \$492,677. The Commission questioned the fairness to the communities to rehabilitate the tank so HOV can continue accepting high strength waste from haulers bringing waste in from outside the service area. The Commission also inquired if there are any DNR requirements to continue the program. Mike Gerbitz from Donohue will check on other options and report back next month.



## **E. City of Kaukauna Public Service Commission Complaint**

The Commission was copied on the Public Service Commission complaint filed by the City of Kaukauna on 4/4/2023 in regards to the debt service cost allocation for the interceptor rehab project. Attorney Cole has submitted a response on behalf of the District and he noted that from this point forward any discussions on this matter should be held in closed session. Commissioner Casper noted that the bidding process and construction schedule will not be altered because of the complaint.

## **F. Interceptor Rehab Project – Monthly Activity Report**

Scott Schramm of Strategic Municipal Services provided a detailed written activity/progress summary for April. The bidding process will begin shortly. Scott will also be giving a progress report and presentation at the community meeting on May 17<sup>th</sup>.

## **G. FOG Program – Monthly Activity Report**

John Stoeger of Stoeger & Associates provided a written fats, oil, and grease update by community, including a grease trap inspection report and site visit correspondence. The Commission also received an itemized copy of the April 2023 invoice.

## **H. Site Remediation Update**

The Commission received a copy of the DNR's review of the SEH site plan dated 3/9/2023. Site excavation for underground piping uncovered more contaminated soil the week of April 24<sup>th</sup>. The material was hauled off site and disposed of like the original contaminated soil, and SEH and the DNR was informed of the additional contaminated area. A drill rig and crew will be on site on 5/17/2023 to collect samples and carry out the testing plan.

## **I. Leonard & Finco – Monthly Activity Report**

Leonard & Finco provided a written monthly update of projects completed in April as well as a list of ongoing and upcoming tasks for May & June.

## **J. 2022 Chemical Use Report**

Kevin Skogman, Director of Operations & Maintenance, provided a written update showing chemical usage for 2022, along with gas, electric, and water consumption. The report also detailed the cost of chemicals purchased, gallons purchased, removal efficiency, and cost per MGD treated. The cost per gallons treated increased due to higher chemical costs primarily for ferric sulfate and sodium hypochlorite.

## **K. HR Consulting Proposals for Employee Handbook Revisions; Discussion & Possible Action**

After a review and discussion of three proposals, a motion was made by Commissioner Sundelius and seconded by Commissioner Siebers to enter into a contract with Human Resources Consulting LLC for employee handbook revisions, as outlined in their proposal

dated 5/10/2023, in the amount of \$4,800, contingent on a positive reference from the City of Kaukauna. A roll call vote was taken: Commissioner Sundelius, yes; Commissioner Coffey, yes; Commissioner Casper, yes; Commissioner Hennessey, yes; and Commissioner Siebers, yes. Motion carried.

## 6. Plant Reports for April 2023

### A. Flows & Revenues Report

The Commission received a copy of the hydraulic & organic loadings data, along with flow & strength projections, which shows the year-to-date surplus/deficit in revenue for the month of April 2023. Revenue received from the WPS-Fox Energy Center for effluent purchased in April = \$13,733.57; Revenue received to date for 2023 = \$57,266.58. WPS-Fox Energy purchased 26% of the effluent produced in April.

The average effluent concentrations for **April 2023** were as follows:

<i>Parameter</i>	<i>Monthly Average</i>	<i>Permit Limit</i>
BOD-Biochemical Oxygen Demand	12.2 mg/L	30 mg/L
Suspended Solids	15.6 mg/L	30 mg/L
Suspended Solids	1143 lbs.	801 lbs.
Phosphorus	.34 mg/L	1.0 mg/L
Ammonia	.99 mg/L	10 mg/L
Chlorides	526 mg/L	n/a

***All permit values were not met for April 2023.  
All available credits were used in March 2023.***

### B. Operations & Maintenance Report

Kevin Skogman, Director of Operations & Maintenance, provided a written O & M Report on plant operations for April. Kevin noted that a PCT/Operator has been hired and starts on May 22<sup>nd</sup>. More updates included the following: a water champ motor has been replaced in Actiflo, still waiting on the heat sink fan retrofit kit for turbine pump #1 VFD, a new chilled water coil has been installed in the administration building, and the heating/air conditioning unit for the solids building garage is in the process of being replaced.

## 7. Funds

### A. May 2023 Accounts Payable; Action for Approval

After a review of the bills payable, a motion was made by Commissioner Casper and seconded by Commissioner Hennessey to approve payment of the bills in the amount of \$6,128,918.24. A roll call vote was taken: Commissioner Casper, yes; Commissioner Coffey, yes; Commissioner Sundelius, yes; Commissioner Siebers, yes; and Commissioner Hennessey, yes. Motion carried unanimously. The Commission signed the check voucher



register which includes general, pre-paid, and petty cash checks. The bi-annual debt service payments are now included on the pre-paid check listing.

## B. Budget Comparison Report

The Commission received a Budget Comparison Report, along with a verbal explanation of exceedances.


## 8. General Old or New Business

- *Safety Luncheon:* There will be a safety luncheon on Monday, May 22<sup>nd</sup> at noon.
- *Community Meeting:* The first community meeting for 2023 will be on Wednesday, May 17th, at noon in Combined Locks.
- *Asset Update:* The Commission received a copy of the 2022 asset report including purchased assets, depreciation, and a plant breakdown of costs.

## 9. Adjournment

With no further business before the Commission, a motion was made by Commissioner Sundelius and seconded by Commissioner Coffey to adjourn the meeting. Motion carried unanimously. (Time: 7:30 PM)

SIGNED & APPROVED BY:

  
Patrick E. Hennessey, Secretary

# MINUTES

## HEART OF THE VALLEY METROPOLITAN SEWERAGE DISTRICT SPECIAL COMMUNITY MEETING HELD ON MAY 17, 2023 AT THE VILLAGE OF COMBINED LOCKS

**Members Present:** David Casper - President  
Bruce Siebers - Vice President  
Patrick Hennessey - Secretary  
Kevin Coffey - Commissioner  
John Sundelius - Commissioner

**Absent:** None

**Also Present:** Brian Helminger - District Director HOVMSD  
Kevin Skogman - Director of Operations & Maintenance HOVMSD  
Dawn Bartel - Office Manager HOVMSD  
Chad Giackino - Regulatory Compliance Manager HOVMSD  
Dustin Jerabek - Plant Foreman HOVMSD  
Scott Schramm - Strategic Municipal Services  
Kent Taylor - Village of Little Chute  
Mayor Tony Penterman - City of Kaukauna  
Marty DeCoster - City of Kaukauna Council  
John Neumeier - City of Kaukauna  
John Neumeier - Village of Combined Locks  
Beau Bernhoft - Village of Combined Locks  
George Schmidt - Darboy Sanitary District  
Randy Verhagen - Darboy Sanitary District  
Bruce Corning - Darboy Sanitary District  
Racquel Shampo Giese - Village of Combined Locks Administrator  
Bradley Schinke - Village of Combined Locks Trustee  
Chris Christenson - Leonard & Finco  
Katie Flanigan - Leonard & Finco  
John Moore - City of Kaukauna Council President  
Lee Hammen - Village of Kimberly Trustee  
Mike Coenen - City of Kaukauna Council  
Brian Roebke - Times Villager  
Greg Ulman - Village of Kimberly  
Mike Gerbitz - Donohue & Associates  
Steve Sticklen - Donohue & Associates  
Ken Heckner - Village of Combined Locks Trustee  
Mike Rietveld - Village of Combined Locks Trustee

## **1. 12:00 Noon. Call to Order – Roll Call**

President Casper called the meeting to order at 12:00 Noon.

## **2. 2022 Year End Loadings – District Director Brian Helminger**

District Director Helminger welcomed the group to the first District member community meeting for 2023. Helminger reviewed the year end 2022 flow and loadings along with new connection stats for the year.

Influent flows were observed to be nearly flat with an increase of 0.97% in 2022. The average daily flow entering the treatment facility was 6.368 million gallons per day. The final results were mixed for BOD and ammonia with BOD increasing by 2.4% with daily ammonia loads decreasing by -7.5%. The decrease in the ammonia load is the first time since 2017.

There were 183 new system connections to the treatment facility which remained in line with prior years. The average since 2007 has been 180 new connections.

The next presenters were introduced; Scott Schramm of SMS, Chris Christenson of Leonard & Finco, and Mike Gerbitz & Steve Sticklen of Donohue. He then reminded the audience that HOVMSD agendas, supporting materials, and meeting minutes are available on the District website at hvmsd.org.

## **3. Disc Filter Project Update – District Director Brian Helminger**

District Director Helminger updated the group on the progress made on the effluent filtration project. The six filters have arrived on site and have been installed into the filter bays. Work will first revolve around making the piping and valve connections and then move onto power and controls wiring. The group was reminded that the project also includes enhancements to the disinfection process, a women's bathroom and locker room, and new air handlers and roof for the building.

## **4. Interceptor Project Update – Scott Schramm of SMS**

Schramm of Strategic Municipal Services updated the communities on the status of the interceptor rehabilitation plan. Next steps in the process include advertising, mandatory pre bid meeting, bidding, bid review and tabulation, then official award of the contract by the HOVMSD Commission.

A construction timeline will become clearer after bidding as a schedule estimation will be provided by each bidder. Work is still anticipated to begin in 2023.

## **5. Outreach & Communications – Chris Christenson of Leonard & Finco**

Chris Christenson gave an update on the community outreach communications plan. Social media posts and website updates have been drafted for the communities to post on their web sites. Additional posts will continue to be provided on a monthly or quarterly basis.



## 6. Clearwater Progress / I & I – Mike Gerbitz and Steve Sticklen of Donohue

Meeting attendees were introduced to significant changes made over the past year to the clearwater reduction program. The District invested in improved technology by migrating over to a new software model. Steve Sticklen of Donohue Introduced the concepts and advantages of new model. Reports and results are now easier to understand, comparable nationwide, and are the industry standard for measuring success. Donohue will be scheduling meetings with each community for a more detailed look at the model and individual community performance for 2022.

## 7. General Old or New Business

The next community meeting is tentatively planned for August.

## 8. Adjournment

With no further business before the Commission, a motion was made by Commissioner Sundelius and seconded by Commissioner Coffey to adjourn the meeting. Motion carried unanimously. (Time: 1:13 PM)

SIGNED & APPROVED BY: \_\_\_\_\_

  
Patrick E. Hennessey, Secretary



June 20, 2023

The following applicants have applied for an operator's license for the license year **2022-2024** and have been recommended for approval based on their record check by the police department:

Bubolz	Chelsea	M.	1271 Maple St.	Neenah
Dolan	Tyler	J.	120 Lamplighter Dr. #4	Kaukauna
Goodchild	Debra	A.	W6050 Hearthstone Dr.	Appleton
Thao	Emily		720 N. Mayflower Dr. Apt. #1	Appleton
Yates	Bryn	S.	200 Spring Ridge Dr.	Kaukauna

**CITY OF KAUKAUNA  
ORDINANCE 1883-2023**

**ORDINANCE CREATING SECTION 3.18 SPECIAL CHARGES**

**WHEREAS**, the City of Kaukauna appointed a Code Enforcement Officer in 2022 and there has been an increase in abatements due to code violations and the property owner refusing to take action on their own; and

**WHEREAS**, Wisconsin State Statutes do not allow for special charges to be transferred to the tax roll for collection of abatements;

**WHEREAS**, the City of Kaukauna acknowledges that some property owners are unable to pay lump sum charges and believes that it is most advantageous for both parties to adopt a special charges ordinance to collect said charges;

**NOW THEREFORE**, be it ordained by the Common Council of the City of Kaukauna, in the State of Wisconsin, as follows:

**SECTION 1:**        **ADOPTION** “3.18 Special Charges” of the City of Kaukauna Municipal Code is hereby *added* as follows:

BEFORE ADOPTION

3.18 Special Charges (Non-existent)

AFTER ADOPTION

3.18 Special Charges(*Added*)

1. **Special Charge Payment Plan Program** -This program pertains to all City Special Charges that cannot be transferred to the tax roll for collection Per the statutes. This program offers the property owner an option to establish a payment plan with the City that will allow for a payment term of up to 10 years depending on the special charge amount per the table listed below.

Terms and Rate Table

Tiered Amount	Term	Rate*
Less than \$1,000	1-year term	Unison Home Equity Line of Credit +0.5%
Between \$1,000 and \$5,000	3-year term	Unison 3-year arm rate +0.5%
Between \$5,000 and \$7,000	5-Year term	Unison 5-year arm rate +0.5%
Greater than \$7,000	10-year term	Unison 7-year arm rate +0.5%

\*Rates posted on Unison's website at the time of the payment plan will be used. Unison is one of the approved financial institutions for City Business.



## 2. Special Charge invoicing process and timing.

- a. Once a special charge is issued, the property owner will have 30 days to pay the invoice in full or establish a payment plan per the schedule listed above. If invoice goes unpaid or owner fails to establish a payment plan, a lien will be placed on the subject property. Finance charges of 1% per month 12% APR will also begin on unpaid invoices that do not have a payment plan established.
- b. After 90 days, the City will submit all outstanding and unresponsive debt holders' files to the State Debt Collection (SDC) agency for collection. Note, additional collection service fees will apply to the outstanding balances if SDC becomes the collection agency.
- c. Once payment plan is established, a lien documenting the voluntary payment plan will be recorded against the property with details on the payment plan that is established. Once paid in full, the recording will be removed from the property.

3. **Payment method option-** All payment plans must have an established bank account whereby the owner allows the City to draw funds monthly in accordance with the payment plan established. It is the property owner's responsibility to notify the City of any change in bank account information. All payments will be withdrawn on the 5th of the month.

4. **Uninterrupted payments-** If property owner fails to ensure monthly payments continue per established plan, a notice will be given to the owner of the failed monthly payment draw. If issue is not remedied within 10 days of dated notice, City will issues notice to property owner of transferring debt to SDC. If still no response, the remaining balance will be sent to the State Debt Collection Agency (SDC) for collection.

5. **Recorded Lien (Adding and Removal)-** Liens will be recorded 30 days from Invoice. The liens will be removed from the property within 30 days of receipt of full payment through the way of a satisfaction letter.

PASSED AND ADOPTED BY THE CITY OF KAUKAUNA COMMON COUNCIL

\_\_\_\_\_.

Presiding Officer

Attest

\_\_\_\_\_  
Anthony J. Penterman, Mayor, City of  
Kaukauna

\_\_\_\_\_  
Sally Kenney, Clerk, City of Kaukauna

**RESOLUTION 2023-5391****RESOLUTION ACCEPTING COMMUNITY DEVELOPMENT INVESTMENT-VIBRANT SPACES GRANT AND  
AUTHORIZING MAYOR ANTHONY PENTERMAN TO ENTER INTO A GRANT AGREEMENT WITH THE WISCONSIN  
ECONOMIC DEVELOPMENT CORPORATION**

WHEREAS, Resolution 2023-5371 was approved by the Kaukauna Common Council on January 17<sup>th</sup>, 2023, authorizing the Associate Planner to act on behalf of the City of Kaukauna to sign and submit an application to WEDC for any financial aid that may be available;

BE IT RESOLVED, the Common Council of the City of Kaukauna, Wisconsin, hereby authorizes Mayor Anthony Penterman to enter into a Grant Agreement with the Wisconsin Economic Development Corporation for the purposes of completing a street pedestrian walkways and alleys project located on the 100 block of 2<sup>nd</sup> Street and 3<sup>rd</sup> Street, Parcels 324008600 and 324009500.

I hereby certify that the foregoing resolution was duly adopted by the Kaukauna City Council at a legal meeting on this 20<sup>th</sup> day of June, 2023.

APPROVED:

\_\_\_\_\_  
Anthony J. Penterman, Mayor

ATTEST:

\_\_\_\_\_  
Sally A. Kenney, City Clerk

**COMMUNITY DEVELOPMENT INVESTMENT VIBRANT SPACES GRANT  
AGREEMENT**

**BETWEEN**

**THE WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

**AND**

**CITY OF KAUKAUNA**

This Agreement is entered into pursuant to Chapter 238 of the Wisconsin Statutes between the Wisconsin Economic Development Corporation (“WEDC”), a public body corporate and politic authorized to grant funds for the purpose of economic development pursuant to Chapter 238 of the Wisconsin Statutes, and City of Kaukauna (“Recipient”). Certain capitalized terms are defined in Section 1 of this Agreement.

**WITNESSETH**

**WHEREAS**, the Recipient has submitted an Application to WEDC, requesting funds from WEDC’s Community Development Investment Vibrant Spaces Grant Program (“CDI-VS Funds”);

**WHEREAS**, WEDC has determined that the Recipient is an eligible recipient of CDI-VS Funds; and

**WHEREAS**, in reliance upon the Application, WEDC has approved the Recipient for up to Fifty Thousand Dollars (\$50,000) in CDI-VS Funds.

**NOW, THEREFORE**, for valid consideration, the receipt of which is hereby acknowledged, and in consideration for the promises and covenants in this Agreement, WEDC and the Recipient agree as follows:

**1. Definitions.** For purposes of this Agreement, the following terms have the following meanings:

(a) “Agreement” means this agreement, to include all documents required to be delivered contemporaneously with the execution and delivery of this Agreement, and the attached Exhibits, together with any future amendments executed in compliance with Section 20 of this Agreement.

(b) “Application” means the materials submitted by the Recipient to WEDC relating to this allocation of CDI-VS Funds.

(c) “CDI-VS Funds” means the grant monies the Recipient is eligible to receive from WEDC’s Community Development Investment Vibrant Spaces Grant Program in accordance with this Agreement.

(d) “Effective Date” means the date on which this Agreement is fully executed by both parties.

(e) “Eligible Project Costs” means costs for which CDI-VS Funds and Matching Funds may be used, as outlined in Section 3(b) of this Agreement, which the Recipient incurs between the Project Start Date and the Project End Date.

(f) “Ineligible Costs” means costs for which CDI-VS Funds and Matching Funds may not be used including: costs incurred prior to the Project Start Date; costs for acquisition; costs related to grant applications or bid preparation; costs for events; costs for private spaces that are not open to the public; indirect expenses or soft costs; in-kind contributions; costs which may be covered by other grant or statutory programs; permits; Phase I and II environmental studies; Lien claims of the Department of Natural Resources and Environmental Protection Agency; performance and payment bonds; contingencies; developer fees; insurance premiums; signage (except for wayfinding, interpretive signage, a single entrance or gateway sign and kiosks); financing fees, interest payments, or the assumption of debt; relocation fees; accounting, legal, appraisal, and architectural fees; mergers and acquisitions; project administration fees, including costs associated with WEDC compliance reporting, schedules of expenditures, and payment requests, interior renovations (except for restrooms), district or community-wide improvement projects, staffing, programming, ongoing maintenance, lease costs, and demolition costs.

(g) “Leverage” means funding provided for the Project other than CDI-VS Funds, including Matching Funds.

(h) “Matching Funds” means non-WEDC funds secured by the Recipient to meet the match requirement of CDI-VS Funds under this Agreement. Eligible Matching Funds must be incurred between the Project Start Date and Project End Date. In order to receive the full amount of CDI-VS Funds contemplated under this Agreement, Matching Funds must be at least Fifty Thousand Dollars (\$50,000). No more than Fifty Percent (50%) of the Matching Funds may consist of other state and/or federal grants. Matching Funds must be cash and may not be in-kind.

(i) “Program Guidelines” means the WEDC approved rules and eligibility requirements for the Community Development Investment Vibrant Spaces Grant Program in force as of the Effective Date.

(j) “Project” means the Recipient assisting in reconstructing alleyways in the CORE District into parklets, in accordance with the Application and the terms of this Agreement.

(k) “Project End Date” means December 31, 2024, the date by which the Project will be complete and the last day which the Recipient may incur costs against CDI-VS Funds and Matching Funds.

(l) “Project Location” means the site or sites at which the Project will take place, specifically walkways and alleys on 100 block of between 2nd and 3rd Street, Kaukauna, Wisconsin and related Project space.

(m) “Project Start Date” means March 23, 2023, the date on which the Project begins and the Recipient may start incurring costs against CDI-VS Funds and Matching Funds.

(n) “Recipient” means City of Kaukauna.



(o) “WEDC” means the Wisconsin Economic Development Corporation, together with its successors and assigns.

**2. CDI-VS Funds.** Subject to the terms and conditions set forth in this Agreement, Program Guidelines, and in Wisconsin law, WEDC shall provide to the Recipient a grant of up to Fifty Thousand Dollars (\$50,000) in CDI-VS Funds.

**3. Recipient’s Obligations.** The Recipient will or will ensure that:

(a) The Project is completed as it is contemplated in the Application and in accordance with the terms of this Agreement,

(b) CDI-VS Funds and Matching Funds are used for Eligible Project Costs, incurred between the Project Start Date and Project End Date, as outlined in the following budget:

USES		SOURCES		TOTAL
Budget Code	Eligible Project Costs	CDI-VS Funds	Public Funds	
0330	Public Facilities	\$50,000	\$50,000	\$100,000

(i) Eligible Project Costs to be applied to CDI-VS Funds for public facilities include specifically seasonal furniture, fixtures and equipment (tables, chairs, lighting, planters), landscaping, sidewalk, curbs, gutters, and concrete construction associated with the Project.

(ii) Eligible Project Costs to be applied to Matching Funds for public facilities include specifically seasonal furniture, fixtures and equipment (tables, chairs, lighting, planters), landscaping, sidewalk, curbs, gutters, and concrete construction associated with the Project and site preparation (storm sewer improvements, excavation, and earthwork).

(c) CDI-VS Funds or Matching Funds are not used for Ineligible Costs.

(d) Matching Funds from non-WEDC sources are secured sufficient to achieve the match requirement of the CDI-VS Funds under this Agreement. Matching Funds must equal at least Fifty Thousand Dollars (\$50,000) in order for the Recipient to obtain the maximum amount of the CDI-VS Funds, and must be documented prior to the final reimbursement.

(e) WEDC’s logo will be prominently displayed on any signage at the Project Location.

(f) Reports are provided to WEDC as further described in Section 5 of this Agreement, in such form as required by WEDC.

**4. Release of Funds.** WEDC will release the CDI-VS Funds contemplated by this Agreement to the Recipient on a reimbursement basis. The Recipient may request CDI-VS Funds in up to Two (2) reimbursements and each reimbursement will be contingent on the following:

(a) The Recipient submitting to WEDC a request for payment of funds in such form as required by WEDC, a sample of which is attached to this Agreement as Exhibit A.

(b) Recipient creating a Bill.com account unless Recipient has an existing account with Bill.com. Instructions for creating a Bill.com account will be provided by WEDC under separate cover. Recipient shall provide their Payment Network ID to WEDC with each request for payment.

(c) The Recipient submitting to WEDC a summary report of the Eligible Project Costs incurred against both the CDI-VS Funds and Matching Funds. The amount of Matching Funds incurred for any request must be in an amount pro rata with the amount incurred against the CDI-VS Funds being requested.

(d) If an Eligible Project Cost is more than Two Thousand Five Hundred Dollars (\$2,500), the Recipient submitting to WEDC proof of payment documentation evidencing that the Eligible Project Cost incurred at the Project Location against the CDI-VS Funds and the Matching Funds covered by the request have been paid. Proof of payment documentation may include the following:

- (i) Receipt showing payment;
- (ii) Statement from the vendor showing the payment has been applied to a particular invoice;
- (iii) Subsequent invoices showing the first payment was applied;
- (iv) Copy of a cancelled check;
- (v) Image of original check with check number, accompanied by a bank statement showing check number clearing;
- (vi) Credit card statement showing purchase amount and vendor which match the invoice;
- (vii) Bank statement showing wire or ACH purchase that matches the invoice;
- (viii) Letter from vendor, on vendor letterhead, specifying the invoice number was paid; or
- (ix) Lien waivers for construction including the dollar amount which matches the invoice or invoice totals.

(e) If an Eligible Project Cost is Two Thousand Five Hundred Dollars (\$2,500) or less, the Recipient submitting documentation evidencing that the Eligible Project Cost incurred at the Project Location against both the CDI-VS Funds and the Matching Funds covered by the request has been purchased or will be purchased through an invoice, receipt, registration form, or other third-party documentation that contains the following information:

- (i) Vendor name and contact information;
- (ii) Description of the item(s) purchased;
- (iii) Cost of purchase;
- (iv) Date of purchase (invoice date or date received, not date ordered unless it is the same); and
- (v) Project Location.

(f) The Recipient being in compliance with this Agreement, and with any other agreements by and between the Recipient and WEDC.

(g) The Recipient requesting all CDI-VS Funds no later than February 28, 2025.

**5. Reporting.** The Recipient shall provide reports and information to WEDC according to the following requirements:

(a) A performance report, due according to the Schedule of Reporting set forth in Section 5(b) below, in such form as required by WEDC. The report must include information required by WEDC to determine Project performance which must include, at a minimum, photos of the completed Project, which may be used for marketing purposes, a financial overview and narrative summary of the Project including the impact that the Project had on the number and type of audiences using the space, nearby businesses, and the number of events held at the Project Location, Project expenditures, and the Recipient's progress on achieving the goals related to the following Project-specific metrics:

<b>Metric</b>	<b>Goal*</b>
Capital Investment	\$674,520
Leverage – Total	\$597,520

\* These goals represent anticipated Project outcomes and failure to achieve these goals will not constitute an Event of Default, unless they are noted as a requirement elsewhere in the Agreement.

**(b) Schedule of Reporting:**

<b>PERIOD COVERED</b>	<b>DOCUMENTATION</b>	<b>DUE DATE</b>
March 23, 2023 - December 31, 2024	Performance Report	March 1, 2025

(c) Within Thirty (30) days, notify WEDC in writing of any event or occurrence that may adversely impact the completion of the Project as represented in Recipient's Application. Adverse impacts include, but are not limited to, lawsuits, regulatory intervention, and inadequate capital to complete the Project.

**6. Event of Default.** The occurrence of any one or more of the following events constitute an "Event of Default" for the purposes of this Agreement:

(a) The Recipient ceases the Project within Five (5) years of the Effective Date of this Agreement and commences substantially the same economic activity outside of Wisconsin.

(b) The Recipient supplies false or misleading information to WEDC in connection with this Agreement, without providing a satisfactory explanation, in WEDC's sole discretion, for the false or misleading information.

(c) The Recipient fails to comply with or perform, in any material respect, any of its obligations under this Agreement, without providing a satisfactory explanation, in WEDC's sole discretion, for the noncompliance.

(d) The Recipient is in default under any other agreement between WEDC and the Recipient.

## 7. Remedies in Event of Default.

(a) Upon the occurrence of any Event of Default, WEDC shall send a written notice of default to the Recipient, setting forth with reasonable specificity the nature of the default. If the Recipient fails to cure any such Event of Default to the reasonable satisfaction of WEDC within Thirty (30) calendar days, WEDC may extend the cure period if WEDC determines, in its sole discretion, that the Recipient has begun to cure the Event of Default and diligently pursues such cure, or, without further written notice to the Recipient, declare the Recipient in default. The cure period will in no event be extended more than Ninety (90) days. In the Event of Default, WEDC shall terminate the Agreement and recover from the Recipient:

(i) One Hundred Percent (100%) of the funds disbursed to the Recipient under this Agreement;

(ii) All court costs and attorneys' fees incurred by WEDC in terminating this Agreement and recovering the amounts owed by the Recipient under this provision; and

(iii) A financial penalty of up to One Percent (1%) of the CDI-VS Funds.

(b) These amounts must be paid to WEDC within Thirty (30) calendar days of demand by WEDC hereunder. If the Recipient fails to pay these amounts to WEDC as and when due, the Recipient will be liable for the full unpaid balance plus interest at the annual rate of up to Twelve Percent (12%) from the date of the notice of Event of Default.

(c) Upon an Event of Default, WEDC shall, without further notice, withhold remaining disbursements of the CDI-VS Funds.

**8. Recipient's Warranties and Representations.** In addition to the other provisions of this Agreement, the Recipient hereby warrants and represents to the best of its knowledge that as of the Effective Date and as long as Recipient has obligations under this Agreement:

(a) The Recipient is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it, the violation of which would have a material adverse effect on the Recipient's ability to perform its obligations under this Agreement or to otherwise engage in its business.

(b) The Recipient is not in default under the terms of any loan, lease or financing agreements with any creditor where such default would have a material adverse effect on the Recipient's ability to fulfill its obligations under this Agreement.

(c) The financial statements and other information provided by the Recipient to WEDC are complete and accurate in accordance in all material respects with Generally Accepted Accounting Principles where applicable and have been relied on by WEDC in deciding whether to enter into this Agreement with the Recipient.

(d) There are no actions, suits or proceedings, whether litigation, arbitration, or administrative, pending or threatened against or affecting the Recipient or the Project which, if adversely determined, would individually or in the aggregate materially impair the ability of the

Recipient to perform any of its obligations under this Agreement or adversely affect the financial condition or the assets of the Recipient.

(e) The Recipient is unaware of any conditions which could subject it to any damages, penalties or clean-up costs under any federal or state environmental laws which would have a material adverse effect on the Recipient's ability to comply with this Agreement.

(f) The Recipient has or will acquire before commencing any work for which they are required, all necessary permits, licenses, certificates or other approval, governmental or otherwise, necessary to operate its business and own and operate its assets, all of which are in full force and effect and not subject to proceedings to revoke, suspend, forfeit or modify.

(g) The Recipient has filed when due all federal and state income and other tax returns required to be filed by the Recipient and has paid all taxes shown thereon to be due. The Recipient has no knowledge of any uncompleted audit of the returns or assessment of additional taxes thereon.

(h) The Recipient and the undersigned officer thereof has all necessary or requisite power and authority to execute and deliver this Agreement.

(i) The execution and delivery by the Recipient of this Agreement has been duly authorized by all necessary action of the Recipient and no other proceedings on the part of the Recipient are necessary to authorize this Agreement or to consummate the transactions contemplated hereby.

(j) The Recipient has available or has the capacity to secure funds necessary to cover, as and when incurred, the costs and expenditures necessary for the completion of the Project, as identified in the Application and this Agreement.

(k) The Recipient is not making these representations and warranties specifically based upon information furnished by WEDC.

(l) These warranties and representations herein are true and accurate as of the Effective Date of this Agreement, and survive the execution thereof.

(m) The information disclosed to WEDC in the course of WEDC's evaluation of the Recipient's eligibility for the Program does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, taken as a whole and in light of the circumstances under which they were made, not misleading.

**9. Wisconsin Public Records Law.** The Recipient understands that this Agreement and other materials submitted to WEDC may constitute public records subject to disclosure under Wisconsin's Public Records Law, Wis. Stats. §§ 19.31-.39, and any successor statutes and regulations.

## **10. Additional Requirements.**

(a) Project Records and Financial Records. The Recipient shall prepare, keep and maintain such records as may be reasonably required by WEDC to validate the Recipient's performance under this Agreement, whether held by the Recipient or by a third party conducting Project-related

activities on behalf of the Recipient, and the performance report provided to WEDC. All of the Recipient's financial records must be complete and accurate, and prepared, kept, and maintained in accordance with Generally Accepted Accounting Principles. The Recipient shall provide such records to WEDC during the term of this Agreement as may be requested by WEDC. Such materials must be retained by the Recipient for a period of at least Three (3) years after March 1, 2025.

(b) Inspection.

(i) WEDC and its respective agents, shall, upon Forty-Eight (48) hours advance written notice to the Recipient, have the right to enter the Recipient's premises, during normal business hours, to inspect the Recipient's operations documentation relating to this Agreement, provided, however, that such access does not unreasonably disrupt the normal operations of the Recipient.

(ii) The Recipient shall produce for inspection, examination, auditing and copying, upon reasonable advance notice, any and all records which relate to this Agreement, whether held by the Recipient or by a third-party conducting Project-related activities on behalf of the Recipient.

(iii) WEDC reserves the right to conduct physical site visits of the Project during the term of this Agreement.

(c) Authorization to Receive Confidential Information. The Recipient hereby authorizes WEDC to request and receive confidential information that the Recipient has submitted to, including any adjustments to such information by, the Wisconsin Department of Revenue ("DOR") and the Wisconsin Department of Workforce Development ("DWD"), and to use such information solely for the purposes of assessing the Recipient's performance for the duration of the Project and ensuring that WEDC is properly administering or evaluating economic development programs. With regard to the information contained in the DWD unemployment insurance files, WEDC may access the following for the Eight (8) most recent quarters: the quarterly gross wages paid to the Recipient's employees; the monthly employee count; and the Recipient's FEIN, NAICS code, and legal and trade names. The Recipient also authorizes WEDC to share information submitted to WEDC by the Recipient with the DOR and DWD and to redisclose to the public the information received from the DOR and DWD used to evaluate the Recipient's performance under their specific economic development program and the impact of WEDC economic development programs. Records exempted from the public records law by Wis. Stat. § 19.36(1) will be handled by WEDC in accordance with that law.

(d) Consolidation or Merger. During the term of this Agreement, the Recipient shall provide written notice to WEDC within Thirty (30) days of any consolidation or merger with or into any other unrelated corporation or business entity.

(e) Public Announcement. The Recipient agrees to cooperate with WEDC in making a public announcement of this Agreement.

(f) Insurance. The Recipient covenants that it will maintain insurance in such amounts and against such liabilities and hazards as customarily is maintained by other companies operating similar businesses.

(g) Online Portal and Document Delivery. Recipient agrees to respond timely to any invitation sent by WEDC to create an online account for use with WEDC's online customer portal ("Portal"). Upon opening the account, Recipient hereby agrees to use the Portal to submit any required performance reports, schedule of expenditures and supporting documentation, unless WEDC directs otherwise. Recipient further agrees to identify appropriate assigned users, duly authorized by Recipient, to serve as contacts, to execute necessary documents, and to support specific tasks Recipient must complete in the Portal. WEDC may, in its sole discretion, rely on any document, performance report, schedule of expenditures, financial statement, tax return, agreement or other communication ("Document") physically delivered to WEDC by mail, hand delivery, delivery service, email, facsimile, the Portal or other electronic means which WEDC in good faith believes was sent by Recipient or any representatives or employees of Recipient. WEDC may treat any Document as genuine and authorized to the same extent as if it was an original document validly executed or authenticated as genuine by Recipient. WEDC may from time to time in its sole discretion reject any such Document and require a signed original or require Recipient to provide acceptable authentication of any such Document before accepting or relying on the same. Recipient understands and acknowledges that there is a risk that Documents sent by electronic means may be viewed or received by unauthorized persons and Recipient agrees by sending Documents by electronic means that Recipient shall be deemed to have accepted this risk and the consequences of any such unauthorized disclosure. Recipient also agrees to create an account with Bill.com and provide a Payment Network ID in order to receive any payments from WEDC. Recipient accepts any risk associated with creating an account with Bill.com and releases WEDC from any liability related thereto.

**11. Conflicts.** In the event of any conflict between the provisions of this Agreement and any accompanying documents, the terms of this Agreement control.

**12. Choice of Law. THIS AGREEMENT AND ALL MATTERS RELATING TO IT OR ARISING FROM IT – WHETHER SOUNDING IN CONTRACT LAW OR OTHERWISE – WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED PURSUANT TO, THE LAWS OF THE STATE OF WISCONSIN.**

**13. Venue, Jurisdiction.** Any judicial action relating to the construction, interpretation, or enforcement of this Agreement, or the recovery of any principal, accrued interest, court costs, attorney's fees and other amounts owed hereunder, must be brought and venued in the U.S. District Court for the Western District of Wisconsin or the Dane County Circuit Court in Madison, Wisconsin. **EACH PARTY HEREBY CONSENTS AND AGREES TO JURISDICTION IN THOSE WISCONSIN COURTS, AND WAIVES ANY DEFENSES OR OBJECTIONS THAT IT MAY HAVE ON PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS.**

**14. Waiver of Right to Jury Trial. EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY JUDICIAL ACTION OR PROCEEDING THAT MAY ARISE BY AND BETWEEN WEDC AND THE RECIPIENT CONCERNING OR RELATING TO THE CONSTRUCTION, INTERPRETATION OR ENFORCEMENT OF THIS AGREEMENT, OR THE RECOVERY OF ANY PRINCIPAL, ACCRUED INTEREST, COURT COSTS, ATTORNEYS' FEES AND OTHER AMOUNTS THAT MAY BE OWED BY THE RECIPIENT HEREUNDER. THIS JURY TRIAL WAIVER**

**CONSTITUTES A SUBSTANTIAL CONSIDERATION FOR AND INDUCEMENT TO THE PARTIES TO ENTER INTO THIS AGREEMENT.**

**15. LIMITATION OF LIABILITY. RECIPIENT HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER FROM WEDC ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL, OR DAMAGES OF ANY OTHER NATURE OTHER THAN ACTUAL DAMAGES INCURRED OR SUFFERED BY RECIPIENT.**

**16. Severability.** If any provision of this Agreement is held invalid or unenforceable by any Governmental Body of competent jurisdiction, such invalidity or unenforceability will not invalidate the entire Agreement. Instead, this Agreement will be construed as if it did not contain the particular provision or provisions held to be invalid or unenforceable, and an equitable adjustment will be made and necessary provisions added so as to give effect to the intention of the parties as expressed in this Agreement at the time of the execution of this Agreement and of any amendments to this Agreement. In furtherance of and not in limitation of the foregoing, the parties expressly stipulate that this Agreement will be construed in a manner which renders its provisions valid and enforceable to the maximum extent (not exceeding its express terms) possible under applicable law. "Governmental Body" means any federal, state, local, municipal, foreign or other government; courts, arbitration commission, governmental or quasi-governmental authority of any nature; or an official of any of the foregoing.

**17. WEDC is Not a Joint Venturer or Partner.** WEDC shall not, under any circumstances, be considered or represented to be a partner or joint venturer of the Recipient or any beneficiary thereof.

**18. Captions.** The captions in this Agreement are for convenience of reference only and not define or limit any of the terms and conditions set forth herein.

**19. No Waiver.** No failure or delay on the part of WEDC in exercising any power or right under this Agreement will operate as a waiver, nor will any single or partial exercise of any such power or right preclude any other exercise of any other power or right.

**20. Entire Agreement.** This Agreement embodies the entire agreement of the parties concerning WEDC's and the Recipient's obligations related to the subject of this Agreement. This Agreement may not be amended, modified or altered except in writing signed by the Recipient and WEDC. This Agreement supersedes all prior agreements and understandings between the parties related to the subject matter of this agreement.

*[Signature Page Follows]*



**IN WITNESS WHEREOF**, WEDC and the Recipient have executed and delivered this Agreement effective the date set forth next to WEDC's signature below.

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_ Date \_\_\_\_\_  
 Melissa L. Hughes,  
 Secretary and CEO

**CITY OF KAUKAUNA**

By: \_\_\_\_\_ Date \_\_\_\_\_  
 Anthony Penterman,  
 Mayor

Notices to the Recipient hereunder must be in writing and will be deemed to have been given: (i) at the time it is sent, as recorded by the WEDC's system, when sent by electronic mail during a business day or, if sent after the close of normal business hours on a business day or sent on a non-business day, at the start of normal business hours on the next business day or (ii) Three (3) Business Days after deposit in the United States mail, certified and with proper postage prepaid, addressed as follows:

City of Kaukauna  
 144 W. 2nd Street  
 Kaukauna, WI 54130  
 Attn: Kevin Davidson  
 Email: cityattorney@kaukauna-wi.org

Notices to WEDC hereunder must be in writing and will be deemed to have been given: (i) at the time it is sent, as recorded by Recipient's system, when sent by electronic mail during a business day or, if sent after the close of normal business hours on a business day or sent on a non-business day, at the start of normal business hours on the next business day or (ii) Three (3) Business Days after deposit in the United States mail, certified and with proper postage prepaid, addressed as follows:

Wisconsin Economic Development  
 Corporation  
 Division of Credit & Risk  
 P.O. Box 1687  
 Madison, WI 53701  
 Attn: Community Development Investment  
 Contract # CDI-VS FY23-53545  
 Email: legal@wedc.org

Award Number: CDI-VS FY23-53545		Rep:	Recipient: City of Kaukauna
FEIN #	Bill.com Payment Network ID (PNI):		Request Number:
Program: Community Development Investment Grant			Award Type: Grant
Funding Period Covered by this Request From: To			

**PROJECT EXPENSES INCURRED/PAID DURING THIS PERIOD (see attachment)**

Budget Code	Description Line Item	WEDC Funding This Period	+	Matching Funding This Period	=	Total This Period
0330	Public Facilities					
<b>TOTAL:</b>						

- Check here if this is the Final Request for Payment. If there is a balance remaining on the Project it may lapse.

**PAYMENT/PROJECT EXPENSE/MATCH DESCRIPTION** - Reimbursement

Prior to the release of funds, the following requirements must be met (to be initialed by WEDC staff):

- Recipient creating a Bill.com account unless Recipient has an existing account with Bill.com. Instructions for creating a Bill.com account will be provided by WEDC under separate cover. Recipient shall provide their Payment Network ID to WEDC with each request for payment. \_\_\_\_\_
- The Recipient submitting to WEDC a summary report of the Eligible Project Costs incurred against both the CDI-VS Funds and Matching Funds. The amount of Matching Funds incurred for any request must be in an amount pro rata with the amount incurred against the CDI-VS Funds being requested. \_\_\_\_\_
- If an Eligible Project Cost is more than Two Thousand Five Hundred Dollars (\$2,500), the Recipient submitting to WEDC proof of payment documentation evidencing that the Eligible Project Cost incurred at the Project Location against the CDI-VS Funds and the Matching Funds covered by the request has been paid. Proof of payment documentation may include the following: Receipt showing payment; Statement from the vendor showing the payment has been applied to a particular invoice; Subsequent invoices showing the first payment was applied; Copy of a cancelled check; Image of original check with check number, accompanied by a bank statement showing check number clearing; Credit card statement showing purchase amount and vendor which match the invoice; Bank statement showing wire or ACH purchase which match the invoice; Letter from vendor, on vendor letterhead, specifying the invoice number was paid; or, Lien waivers for construction including the dollar amount which matches the invoice or invoice totals. \_\_\_\_\_
- If an Eligible Project Cost is Two Thousand Five Hundred Dollars (\$2,500) or less, the Recipient submitting documentation evidencing that the Eligible Project Cost incurred at the Project Location against both the CDI-VS Funds and the Matching Funds covered by the request has been purchased or will be purchased through an invoice, receipt, registration form, or other third-party documentation that contains the following information: Vendor name and contact information; Description of the item(s) purchased; Cost of purchase; Date of purchase (invoice date or date received, not date ordered unless it is the same). \_\_\_\_\_
- The Recipient being in compliance with this Agreement, and with any other agreements by and between the Recipient and WEDC. \_\_\_\_\_

- The Recipient requesting all CDI-VS Funds no later than February 28, 2025. \_\_\_\_\_

I hereby certify that the expenses reported on this form are in accordance with the terms of the Agreement and that complete and accurate records are being kept to substantiate such expenses.

\_\_\_\_\_  
**Authorized Recipient Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
 WEDC Division VP or Designee

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 WEDC Servicing

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 WEDC Controller or Finance Department

\_\_\_\_\_  
 Date

Retain a copy of the completed form for your records and email a copy of the original and documentation to:  
[disbursements@wedc.org](mailto:disbursements@wedc.org). The hard copy may be required to be sent upon request.

## RESOLUTION NO. 2023-5392

RESOLUTION AUTHORIZING THE ISSUANCE AND  
SALE OF UP TO \$2,050,765 WATERWORKS SYSTEM REVENUE BONDS, SERIES 2023,  
AND PROVIDING FOR OTHER DETAILS AND  
COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Kaukauna, Outagamie and Calumet Counties, Wisconsin (the "Municipality") owns and operates a waterworks system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, pursuant to Resolution No. 3000 adopted by the Governing Body on December 16, 1997 (the "Bond Resolution") and Resolution No. 3885 adopted by the Governing Body on August 19, 2014 (the "2014 Resolution"), the Municipality has heretofore issued its Waterworks System Revenue Bonds, dated August 29, 2014 (the "2014 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to the Bond Resolution and Resolution No. 4101 adopted by the Governing Body on September 19, 2017 (the "2017 Resolution"), the Municipality has heretofore issued its Waterworks System Revenue Bonds, Series 2017A, dated October 3, 2017 (the "2017 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to the Bond Resolution and Resolution No. 2020-5246 adopted by the Governing Body on November 17, 2020, as supplemented by a Certificate dated December 2, 2020 (collectively, the "2020 Resolution"), the Municipality has heretofore issued its Waterworks System Revenue Bonds, Series 2020, dated December 30, 2020 (the "2020 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, the 2014 Bonds, the 2017 Bonds and the 2020 Bonds shall collectively be referred to as the "Senior Bonds"; and

WHEREAS, the Bond Resolution, as supplemented by the 2014 Resolution, the 2017 Resolution and the 2020 Resolution (collectively, the "Supplementing Resolutions") shall collectively be referred to as the "Senior Resolutions"; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a project (the "Project") assigned Safe Drinking Water Loan Program Project No. 5120-09 by the Department of Natural Resources, and as described in the Department of Natural Resources approval letter for the plans and specifications of the Project, or portions thereof, issued under Section 281.41, Wisconsin Statutes, assigned No. W-2022-0531 and dated July 11, 2022 and No. W-2022-0170 and dated April 22, 2022 by the DNR; and

WHEREAS, under the provisions of Chapter 66, Wisconsin Statutes any municipality may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating and managing a public utility from the proceeds of bonds, which bonds are to be payable only from the revenues received from any source by such utility, including all rentals and fees; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell waterworks system revenue bonds of the Municipality payable solely from the revenues of the System, pursuant to the provisions of Section 66.0621, Wisconsin Statutes, on a basis junior and subordinate to the Senior Bonds, to pay the cost of the Project; and

WHEREAS, other than the Senior Bonds, no bonds or obligations payable from the revenues of the System are now outstanding.

NOW, THEREFORE, be it resolved by the Governing Body of the Municipality that:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by implication requires otherwise:

- (a) "Act" means Section 66.0621, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Bonds;
- (c) "Bond Resolution" means Resolution No. 3000 adopted by the Governing Body on December 16, 1997;
- (d) "Bonds" means the \$2,050,765 Waterworks System Revenue Bonds, Series 2023, of the Municipality dated their date of issuance, authorized to be issued by this Resolution;
- (e) "Bond Year" means the twelve-month period ending on each May 1;
- (f) "Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but shall exclude depreciation, debt service, tax equivalents, replacements and capital expenditures;
- (g) "Debt Service Fund" means the Waterworks System Junior Lien Special Redemption Fund of the Municipality, which shall be the "special redemption fund" as such term is defined in the Act;
- (h) "Financial Assistance Agreement" means the Financial Assistance Agreement by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the Municipality pursuant to which the Bonds are to be issued and sold to the State, substantially in the form attached hereto and incorporated herein by this reference;
- (i) "Fiscal Year" means the twelve-month period ending on each December 31;

(j) "Governing Body" means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(k) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from waterworks charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees, any tax incremental district revenues appropriated by the Governing Body to the System, and any special assessments levied and collected in connection with the Project;

(l) "Municipal Treasurer" means the Treasurer of the Municipality who shall act as Bond Registrar and Paying Agent;

(m) "Municipality" means the City of Kaukauna, Outagamie and Calumet Counties, Wisconsin;

(n) "Net Revenues" means the Gross Earnings of the System after deduction of Current Expenses;

(o) "Parity Bonds" means bonds payable from the revenues of the System other than the Bonds but issued on a parity and equality with the Bonds pursuant to the restrictive provisions of Section 11(c) of this Resolution;

(p) "Project" means the Project described in the preamble to this Resolution. All elements of the Project are to be owned and operated by the Municipality as part of the System as described in the preamble hereto;

(q) "Record Date" means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date;

(r) "Senior Bonds" means the 2014 Bonds, the 2017 Bonds and the 2020 Bonds, and any other bonds issued on a parity with such bonds in the future pursuant to the restrictive provisions of Section 11(a) hereof, collectively;

(s) "Senior Resolutions" means the Bond Resolution, as supplemented by the 2014 Resolution, the 2017 Resolution, the 2020 Resolution and any future resolution authorizing the issuance of additional Senior Bonds, collectively;

(t) "Supplementing Resolutions" means the 2014 Resolution, 2017 Resolution and 2020 Resolution, collectively;

(u) "System" means the entire waterworks system of the Municipality specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the extraction, collection, treatment, storage and distribution of water, including all improvements and extensions thereto made by the Municipality while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such waterworks system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(v) "2014 Bonds" means the Municipality's Waterworks System Revenue Bonds, dated August 29, 2014;

(w) "2014 Resolution" means Resolution No. 3885 adopted by the Governing Body on August 19, 2014 authorizing the issuance of the 2014 Bonds;

(x) "2017 Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 2017A, dated October 3, 2017;

(y) "2017 Resolution" means Resolution No. 4101 adopted by the Governing Body on September 19, 2017 authorizing the issuance of the 2017 Bonds;

(z) "2020 Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 2020, dated December 30, 2020; and

(aa) "2020 Resolution" means Resolution No. 2020-5246 adopted by the Governing Body on November 17, 2020 authorizing the issuance of the 2020 Bonds.

Section 2. Authorization of the Bonds and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the credit of the income and revenue of the System up to the sum of \$2,050,765; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the Mayor and City Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

Section 3. Terms of the Bonds. The Bonds shall be designated "Waterworks System Revenue Bonds, Series 2023" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 2.145% per annum; shall be issued in denominations of \$0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement and in the Bond form attached hereto as Exhibit A as it is from time to time adjusted by the State of Wisconsin based upon the actual draws made by the Municipality. Interest on the Bonds shall be payable commencing on November 1, 2023 and semiannually thereafter on May 1 and November 1 of each year. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

The schedule of maturities of the Bonds is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

Section 4. Form, Execution, Registration and Payment of the Bonds. The Bonds shall be issued as registered obligations in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

The Bonds shall be executed in the name of the Municipality by the manual signatures of the Mayor and City Clerk, and shall be sealed with its official or corporate seal, if any.

The principal of, premium, if any, and interest on the Bonds shall be paid by the Municipal Treasurer, who is hereby appointed as the Municipality's Bond Registrar.

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity on the Bond will be payable upon presentation and surrender of the Bond to the Bond Registrar. Payment of principal on the Bond (except the final maturity) and each installment of interest shall be made to the registered owner of each Bond who shall appear on the registration books of the Municipality, maintained by the Bond Registrar, on the Record Date and shall be paid by electronic transfer or by check or draft of the Municipality and mailed to such registered owner at his or its address as it appears on such registration books or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Debt Service Fund hereinafter created and established, and shall be a valid claim of the registered owner or owners thereof only against such Debt Service Fund and the revenues of the System pledged to such fund, junior and subordinate to the pledge granted to the holders of the Senior Bonds. Sufficient revenues are hereby pledged to said Debt Service Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Senior Bonds, the Bonds and any Parity Bonds as the same becomes due.

Section 6. Funds and Accounts. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on the Senior Bonds, the Bonds and Parity Bonds, certain funds of the System which were created and established pursuant to Section 6 of the Bond Resolution, as amended by the Supplementing Resolutions and this Resolution, which shall be used solely for the following respective purposes:

- (a) Waterworks System Revenue Fund (the "Revenue Fund"), into which shall be deposited as received the Gross Earnings of the System, which money shall then be divided among the Operation and Maintenance Fund, the Senior Lien Special Redemption Fund, the Debt Service Fund and the Surplus Fund in the amounts and in the manner set forth in Section 7 hereof and used for the purposes described below.
- (b) Waterworks System Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses.
- (c) Waterworks System Special Redemption Fund (the "Senior Lien Special Redemption Fund"), which shall be divided into two separate accounts to be known as the "Interest and Principal Account" and the "Reserve Account".



(i) There shall be deposited in the Interest and Principal Account in the manner specified in Section 7 of the Bond Resolution, as amended, an amount sufficient (after giving effect to available amounts in said account from accrued interest, any premium, investment earnings and any other source) to pay the principal of and interest on the Senior Bonds as the same becomes due. The Interest and Principal Account shall be used solely for the purposes of paying principal of and interest on the Senior Bonds in accordance with the provisions of the Bond Resolution, as amended and supplemented by the Supplementing Resolutions.

(ii) The Reserve Account shall be used solely for the purpose of paying principal of or interest on the Senior Bonds at any time when there shall be insufficient money in the Interest and Principal Account. The Reserve Account shall be funded and replenished in the manner specified in the Bond Resolution, as amended and supplemented by the Supplementing Resolutions. The Reserve Account does not secure the Bonds and monies on deposit in the Reserve Account shall under no circumstances be used to pay principal of or interest on the Bonds.

- (d) Waterworks System Junior Lien Special Redemption Fund (the "Debt Service Fund"), which shall be used for the payment of the principal of, premium, if any, and interest on the Bonds and Parity Bonds, as the same becomes due, and which may contain a reserve account for future Parity Bonds.
- (e) Waterworks System Surplus Fund (the "Surplus Fund"), which shall first be used whenever necessary to pay principal of or interest on, first, the Senior Bonds, and, second, the Bonds and any Parity Bonds when the Senior Lien Special Redemption Fund or Debt Service Fund, as applicable, shall be insufficient for such purpose, and thereafter shall be disbursed as follows:

(i) at any time, to remedy any deficiency in any of the funds or accounts provided in Section 7 hereof; and,

(ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein, or to reimburse the general fund of Municipality for advances made by the Municipality to the System.

Section 7. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

- (a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said Fund from prior deposits);

- (b) to the Senior Lien Special Redemption Fund, for monthly transfer to the Interest and Principal Account thereof, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Senior Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Senior Bonds coming due on the next succeeding principal payment date (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source), and for monthly transfer to the Reserve Account thereof, the amount required by the Senior Resolutions to fund the Reserve Account;
- (c) to the Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Bonds and any Parity Bonds coming due on the next succeeding payment date (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source), and any amount required by future resolutions authorizing the issuance of Parity Bonds to fund a reserve account established to secure such Parity Bonds; and
- (d) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Senior Lien Special Redemption Fund, the Debt Service Fund and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (d) of this Section, except transfers or deposits which are required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Governing Body that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to fund the Reserve Account for any future Parity Bonds secured thereby.

**Section 8. Deposits and Investments.** The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the prompt payment of principal of and interest on the Bonds and any Parity Bonds as the same becomes due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34, Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes. The other funds herein created (except the Waterworks System SDWLP Project Fund) may be combined in a single account in a public depository selected in the manner set forth above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Section 9. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing waterworks services for public purposes shall be charged against the Municipality and shall be paid in quarterly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System; that is to say, out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the Municipality in each year shall be equal to an amount which, together with other revenues of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Senior Bonds, the Bonds, any Parity Bonds and any other obligations payable from the revenues of the System then outstanding, times the greater of (i) 110% or (ii) the highest debt service coverage ratio required with respect to any obligations payable from revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation over and above the reasonable cost and value of the services rendered to the Municipality and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 10. Operation of System; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Bonds, and each of them, that the Municipality will perform all of the obligations of the Municipality as set forth in the Financial Assistance Agreement.

Section 11. Additional Bonds. The Bonds are issued on a basis junior and subordinate to the Senior Bonds as to the pledge of revenues of the System.

(a) Additional bonds may be issued on a basis senior to the Bonds provided that all the following conditions are met:

(1) Such additional bonds are issued on a parity with all then outstanding Senior Bonds pursuant to the restrictive provisions of the resolutions authorizing such then outstanding Senior Bonds;

(2) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all Senior Bonds then outstanding and any other bonds payable from revenues of the System then outstanding (including the Bonds and any Parity Bonds) and on the additional bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to any Senior Bonds, the additional bonds to be issued, or any other obligations payable from the revenues of the System then outstanding (including the Bonds or Parity Bonds). Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes

of such computation shall include such additional revenues as a registered municipal advisor, an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

(3) The additional obligations are rated by a nationally recognized bond rating agency of in the "A" category or higher, either on an unenhanced basis or as a result of the purchase of bond insurance.

(b) Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds.

(c) Parity Bonds may be issued only under the following circumstances:

(1) Additional Parity Bonds may be issued for the purpose of completing the Project and for the purpose of financing costs of the Project which are ineligible for payment under the State of Wisconsin Safe Drinking Water Loan Program. However, such additional Parity Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or

(2) Additional Parity Bonds may also be issued if all of the following conditions are met:

(i) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the System, and on the bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the Additional Parity Bonds to be issued or any other obligations payable from the revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as a registered municipal advisor, an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may calculate would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

(ii) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.

(iii) The additional bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.

(iv) The proceeds of the additional bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 12. Sale of Bonds. The sale of the Bonds to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$2,050,765 and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Bonds as hereinabove provided, necessary to conclude delivery of the Bonds to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement, and the officers of the Municipality are authorized to prepare and submit to the State requisitions and disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Bonds.

Section 13. Application of Bond Proceeds. The proceeds of the sale of the Bonds shall be deposited by the Municipality into a special fund designated as "Waterworks System SDWLP Project Fund." The Waterworks System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Waterworks System SDWLP Project Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

Section 14. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of revenues derived from the System or the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 15. Defeasance. When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Bonds due on any date by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality

of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the Municipality's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the Municipality's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for.

Section 16. Rebate Fund. Unless the Bonds are exempt from the rebate requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Municipality shall establish and maintain, so long as the Bonds and any Parity Bonds are outstanding, a separate account to be known as the "Rebate Fund." The sole purpose of the Rebate Fund is to provide for the payment of any rebate liability with respect to the Bonds under the relevant provisions of the Code and the Treasury Regulations promulgated thereunder (the "Regulations"). The Rebate Fund shall be maintained by the Municipality until all required rebate payments with respect to the Bonds have been made in accordance with the relevant provisions of the Code and the Regulations.

The Municipality hereby covenants and agrees that it shall pay to the United States from the Rebate Fund, at the times and in the amounts and manner required by the Code and the Regulations, the portion of the "rebate amount" (as defined in Section 1.148-3(b) of the Regulations) that is due as of each "computation date" (within the meaning of Section 1.148-3(e) of the Regulations). As of the date of this Resolution, the provisions of the Regulations specifying the required amounts of rebate installment payments and the time and manner of such payments are contained in Sections 1.148-3(f) and (g) of the Regulations, respectively. Amounts held in the Rebate Fund and the investment income therefrom are not pledged as security for the Bonds or any Parity Bonds and may only be used for the payment of any rebate liability with respect to the Bonds.

The Municipality may engage the services of accountants, attorneys or other consultants necessary to assist it in determining the rebate payments, if any, owed to the United States with respect to the Bonds. The Municipality shall maintain or cause to be maintained records of determinations of rebate liability with respect to the Bonds for each computation date until six (6) years after the retirement of the last of the Bonds. The Municipality shall make such records available to the State of Wisconsin upon reasonable request therefor.

Section 17. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 14, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the Municipality, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the Municipality, its Governing Body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.



Section 18. Continuing Disclosure. The officers of the Municipality are hereby authorized and directed, if requested by the State of Wisconsin, to provide to the State of Wisconsin Safe Drinking Water Loan Program and to such other persons or entities as directed by the State of Wisconsin such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the Safe Drinking Water Loan Program may require, in order that securities issued by the Municipality and the State of Wisconsin satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and as it may be amended from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 19. Conflicting Resolutions. All ordinances, resolutions (other than the Senior Resolutions), or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the Senior Resolutions, the Senior Resolutions shall control as long as any of the respective Senior Bonds are outstanding.

Passed: June 20, 2023

Approved: June 20, 2023

---

Anthony J. Penterman  
Mayor

Attest:

---

Sally A. Kenney  
City Clerk



## EXHIBIT A

(Form of Municipal Obligation)

REGISTERED  
NO. \_\_\_\_\_UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
OUTAGAMIE AND CALUMET COUNTIES  
CITY OF KAUKAUNAREGISTERED  
\$ \_\_\_\_\_WATERWORKS SYSTEM REVENUE BOND, SERIES 2023Final  
Maturity Date

May 1, 2043

Date of  
Original Issue

\_\_\_\_\_, 20\_\_

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN  
PROGRAM

FOR VALUE RECEIVED the City of Kaukauna, Outagamie and Calumet Counties, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2024 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 2.145% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on November 1, 2023.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2024 in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at Two and 145/1000ths percent (2.145%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

Both principal and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America. On the final maturity date, principal of this Bond shall be payable only upon presentation and surrender of this Bond at the office of the Municipal Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date and mailed from the office of the Municipal Treasurer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

This Bond shall not be redeemable prior to its maturity, except with the consent of the registered owner.

This Bond is transferable only upon the books of the Municipality kept for that purpose at the office of the Municipal Treasurer, by the registered owner in person or its duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Municipal Treasurer, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person 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 interest hereof and for all other purposes. This Bond is issuable solely as a negotiable, fully-registered bond, without coupons, and in denominations of \$0.01 or any integral multiple thereof.

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Waterworks System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted June 20, 2023, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$2,050,765 Waterworks System Revenue Bonds, Series 2023, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Waterworks System of the Municipality (the "Utility"). The Bonds are issued on a basis junior and subordinate to the Municipality's Waterworks System Revenue Bonds, dated August 29, 2014, Waterworks System Revenue Bonds, Series 2017A, dated October 3, 2017 and Waterworks System Revenue Bonds, Series 2020, dated December 30, 2020, and any obligations issued in the future on a parity with such bonds, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said Municipality from the operation of its Utility has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by the signatures of its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF KAUKAUNA,  
WISCONSIN

(SEAL)

By: \_\_\_\_\_  
Anthony J. Penterman  
Mayor

By: \_\_\_\_\_  
Sally A. Kenney  
City Clerk

## (Form of Assignment)

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

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

\_\_\_\_\_

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_

Attorney to transfer said Bond on the books kept for the registration thereof with full power of substitution in the premises.

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

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

Signature(s) guaranteed by

\_\_\_\_\_

SCHEDULE A

\$2,050,765

CITY OF KAUKAUNA, WISCONSIN  
WATERWORKS SYSTEM REVENUE BONDS, SERIES 2023

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>

## SCHEDULE A (continued)

## PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2024	\$83,190.95
May 1, 2025	84,975.40
May 1, 2026	86,798.12
May 1, 2027	88,659.94
May 1, 2028	90,561.69
May 1, 2029	92,504.24
May 1, 2030	94,488.46
May 1, 2031	96,515.24
May 1, 2032	98,585.49
May 1, 2033	100,700.15
May 1, 2034	102,860.16
May 1, 2035	105,066.51
May 1, 2036	107,320.19
May 1, 2037	109,622.21
May 1, 2038	111,973.61
May 1, 2039	114,375.44
May 1, 2040	116,828.79
May 1, 2041	119,334.77
May 1, 2042	121,894.50
May 1, 2043	124,509.14

State of Wisconsin  
 Department of Natural Resources  
 Bureau of Community Financial Assistance  
 101 South Webster Street  
 PO Box 7921  
 Madison, Wisconsin 53707-7921

Financial Assistance Agreement  
 Safe Drinking Water Loan Program  
 Form 8700-214 rev 03/21

## STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

---



---

STATE OF WISCONSIN  
 DEPARTMENT OF NATURAL RESOURCES  
 DEPARTMENT OF ADMINISTRATION

and

CITY OF KAUKAUNA

\_\_\_\_\_  
 \$2,050,765

FINANCIAL ASSISTANCE AGREEMENT

\_\_\_\_\_  
 Dated as of July 12, 2023

This constitutes a **Financial Assistance Agreement** under the State of Wisconsin's Safe Drinking Water Loan Program. This agreement is awarded pursuant to ss. 281.59 and 281.61, Wis. Stats. The purpose of this agreement is to award financial assistance from the Safe Drinking Water Loan Program. This agreement also discloses the terms and conditions of this award.

This agreement is only effective when signed by authorized officers of the municipality, the State of Wisconsin Department of Natural Resources, and the State of Wisconsin Department of Administration.

The Department of Natural Resources and the Department of Administration may rescind or terminate this agreement if the municipality fails to comply with the terms and conditions contained within. Any determination or certification made in this agreement by the Department of Natural Resources or the Department of Administration is made solely for the purpose of providing financial assistance under the Safe Drinking Water Loan Program.

\_\_\_\_\_  
 Municipal Identification No. 44241  
 Safe Drinking Water Loan Program Project No. 5120-09

## TABLE OF CONTENTS

ARTICLE I  
DEFINITIONS; RULES OF INTERPRETATION

Section 1.01.	Definitions	2
Section 1.02.	Rules of Interpretation	5

ARTICLE II  
REPRESENTATIONS

Section 2.01.	Representations of the SDWLP	6
Section 2.02.	Representations of the Municipality	6

ARTICLE III  
LOAN PROVISIONS

Section 3.01.	Loan Clauses	11
Section 3.02.	Loan Amortization	11
Section 3.03.	Type of Municipal Obligation and Security	11
Section 3.04.	Sale and Redemption of Municipal Obligations	12
Section 3.05.	Disbursement of Loan Proceeds	12
Section 3.06.	Remedies	13
Section 3.07.	Security for the Loan	14
Section 3.08.	Effective Date and Term	14

ARTICLE IV  
CONSTRUCTION OF THE PROJECT

Section 4.01.	Insurance	15
Section 4.02.	Construction of the Project	15
Section 4.03.	Performance Bonds	15
Section 4.04.	Completion of the Project	15
Section 4.05.	Payment of Additional Project Costs	15
Section 4.06.	No Warranty Regarding Condition, Suitability, or Cost of Project	16

ARTICLE V  
COVENANTS

Section 5.01.	Application of Loan Proceeds	17
Section 5.02.	Operation and Maintenance	17
Section 5.03.	Compliance with Law	17
Section 5.04.	Public Ownership	17
Section 5.05.	Establishment of Project Accounts; Audits	17
Section 5.06.	Records	18
Section 5.07.	Project Areas	18
Section 5.08.	Engineering Inspection	18
Section 5.09.	Tax Covenants	18
Section 5.10.	User Fee Covenant	18
Section 5.11.	Notice of Impaired System	19
Section 5.12.	Hold Harmless	19
Section 5.13.	Nondiscrimination Covenant	19
Section 5.14.	Employees	19
Section 5.15.	Adequate Funds	19
Section 5.16.	Management	19



Section 5.17.	Reimbursement	20
Section 5.18.	Unpaid User Fees	20
Section 5.19.	Rebates	20
Section 5.20.	Maintenance of Legal Existence	20
Section 5.21.	Wage Rate Requirements	20
Section 5.22.	Use of American Iron and Steel	20
Section 5.23.	Federal Single Audit	20

## ARTICLE VI MISCELLANEOUS

Section 6.01.	Notices	21
Section 6.02.	Binding Effect	21
Section 6.03.	Severability	21
Section 6.04.	Amendments, Supplements, and Modifications	21
Section 6.05.	Execution in Counterparts	21
Section 6.06.	Applicable Law	22
Section 6.07.	Benefit of Financial Assistance Agreement	22
Section 6.08.	Further Assurances	22
Section 6.09.	Assignment of Municipal Obligations	22
Section 6.10.	Covenant by Municipality as to Compliance with Program Resolution	22
Section 6.11.	Termination	22
Section 6.12.	Rescission	23

EXHIBIT A	PROJECT BUDGET SHEET
EXHIBIT B	LOAN AMORTIZATION SCHEDULE
EXHIBIT C	LOAN DISBURSEMENT TABLE
EXHIBIT D	OPERATING CONTRACTS
EXHIBIT E	DISADVANTAGED BUSINESS ENTERPRISES CONTRACT UTILIZATION
EXHIBIT F	PROJECT MANAGER SUMMARY PAGE
EXHIBIT G	FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

## WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated July 12, 2023, between the STATE OF WISCONSIN Safe Drinking Water Loan Program (the "SDWLP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.59 and 281.61, Wis. Stats., as amended (the "Statute"), and the City of Kaukauna, a municipality within the meaning of the Statute, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

WHEREAS, the United States, pursuant to the Federal Safe Drinking Water Act Amendments of 1996 (the "Act"), requires each state to establish a drinking water revolving loan fund to be administered by an instrumentality of the state before the state may receive capitalization grants for eligible projects from the United States Environmental Protection Agency (the "EPA"), or any successor which may succeed to the administration of the program established by the Act; and

WHEREAS, the State of Wisconsin, pursuant to the Statute, established the SDWLP to be used in part for purposes of the Act; and

WHEREAS, the State of Wisconsin, pursuant to s. 25.43, Wis. Stats., established a State of Wisconsin Environmental Improvement Fund which includes the SDWLP; and

WHEREAS, DNR and DOA have the joint responsibility to provide SDWLP financial assistance to municipalities for the construction of eligible drinking water projects, all as set forth in the Statute; and

WHEREAS, the Municipality submitted to DNR an application for financial assistance (the "Application") for a project (the "Project"), and DNR has approved the Application and determined the Application meets DNR criteria for Project eligibility established in applicable state statutes and regulations; and

WHEREAS, DNR determined that the Municipality and the Project are not ineligible for financial assistance under s. 281.61(2g), Wis. Stats.; and

WHEREAS, DOA determined the SDWLP will provide financial assistance to the Municipality by making a loan (the "Loan") pursuant to s. 281.59(9), Wis. Stats., for the purposes of that subsection; and

WHEREAS, the Municipality pledged the security, if any, required by DOA, and the Municipality has demonstrated to the satisfaction of DOA the financial capacity to ensure sufficient revenues to operate and maintain the Project for its useful life and to pay debt service on the obligations it issues for the Project; and

WHEREAS, the Municipality certifies to the SDWLP that it has created a dedicated source of revenue, for repayment of the Loan; and

WHEREAS, the Municipality obtained DNR approval of facility plans or engineering reports, and Plans and Specifications for the Project, subject to the provisions of applicable State environmental standards set forth in law, rules, and regulations;

NOW, THEREFORE, in consideration of the promises and of the mutual representations, covenants, and agreements herein set forth, the SDWLP and the Municipality, each binding itself, its successors, and its assigns, do mutually promise, covenant, and agree as follows:

ARTICLE I  
DEFINITIONS; RULES OF INTERPRETATION

Section 1.01. Definitions The following capitalized terms as used in this FAA shall have the following meanings:

"Act" means the federal Safe Drinking Water Act, 42 U.S.C. 300f to 300j-26.

"American Iron and Steel" means the requirements for using American iron and steel as mandated under EPA's Drinking Water State Revolving Fund program.

"Application" means the written application of the Municipality dated June 28, 2022, for financial assistance under the Statute.

"Bonds" means bonds or notes issued by the State pursuant to the Program Resolution, all or a portion of the proceeds of which shall be applied to make the Loan.

"Business Day" means any day on which State offices are open to conduct business.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provisions.

"CWFP" means the State of Wisconsin Clean Water Fund Program, established pursuant to ss. 281.58 and 281.59, Wis. Stats., and managed and administered by DNR and DOA.

"DNR" means the State of Wisconsin Department of Natural Resources and any successor entity.

"DOA" means the State of Wisconsin Department of Administration and any successor entity.

"EPA" means the United States Environmental Protection Agency or any successor entity that may succeed to the administration of the program established by the Act.

"FAA" means this Financial Assistance Agreement.

"Final Completion" means the Project construction is complete, DNR or agents thereof have certified that the Project was constructed according to DNR approved Plans and Specifications and that the facilities are operating according to design, and DNR has completed all necessary Project closeout procedures.

"Financial Assistance Agreement" means this Financial Assistance Agreement between the SDWLP by DNR, DOA, and the Municipality, as the same may be amended from time to time in accordance with Section 6.04 hereof.

"Loan" means the loan or loans made by the SDWLP to the Municipality pursuant to this FAA.

"Loan Disbursement Table" means the table, the form of which is included as Exhibit C hereto, with columns for inserting the following information:

- (a) amount of each disbursement,
- (b) date of each disbursement,
- (c) the series of Bonds from which each disbursement is made,
- (d) principal amounts repaid, and
- (e) outstanding principal balance.

"Municipal Obligation Counsel Opinion" means the opinion of counsel satisfactory to DOA, issued in conjunction with the Municipal Obligations, stating that:

(a) this FAA and the performance by the Municipality of its obligations thereunder have been duly authorized by all necessary actions by the governing body of the Municipality, and this FAA has been duly executed and delivered by the Municipality;

(b) the Municipal Obligations have been duly authorized, executed, and delivered by the Municipality and sold to the SDWLP;

(c) each of this FAA and the Municipal Obligations constitutes a legal, valid, and binding obligation of the Municipality, enforceable against the Municipality in accordance with its respective terms (provided that enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that its enforcement may also be subject to the exercise of judicial discretion in appropriate cases);

(d) the Municipal Obligations constitute special obligations of the Municipality secured as to payment of principal, interest, and redemption price by the pledged revenues as set forth therein;

(e) interest on the Municipal Obligations is not included in gross income of the owners thereof for federal income taxation purposes under existing laws, regulations, rulings, and judicial decisions;

(f) the Municipal Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code and the arbitrage regulations; and

(g) the Municipal Obligations are not "private activity bonds" as defined in Section 141(a) of the Code.

"Municipal Obligation Resolution" means that action taken by the governing body of the Municipality authorizing the issuance of the Municipal Obligations.

"Municipal Obligations" means the bonds or notes issued and delivered by the Municipality to the SDWLP, a specimen copy of which is included in the Municipal Obligations transcript.

"Municipality" means City of Kaukauna, a "local governmental unit" within the meaning of the Statute, duly organized and existing under the laws of the State, and any successor entity.

"Parity Obligations" means any other obligations issued on a parity with the Municipal Obligations pursuant to the restrictive provisions of Section 11 of the Municipal Obligation Resolution.

"Plans and Specifications" means the Project design plans and specifications assigned No. W-2022-0531, dated July 11, 2022 and W-2022-0170, dated April 22, 2022, that have been approved by DNR, as the same may be amended or modified from time to time in accordance with this FAA.

"Program Resolution" means the Amended and Restated Program Resolution for State of Wisconsin Environmental Improvement Fund Revenue Obligations adopted by the State of Wisconsin Building Commission, as such may from time to time be further amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions of the Program Resolution.

"Progress Payments" means payments for work in place and materials or equipment that have been delivered or are stockpiled in the vicinity of the construction site. This includes payments for undelivered specifically manufactured equipment if: (1) designated in the specifications, (2) could not be readily utilized or diverted to another job, and (3) a fabrication period of more than 6 months is anticipated.

"Project" means the project assigned SDWLP Project No. 5120-09 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter(s) for the Plans and Specifications, or portions thereof, issued under s. 281.41, Wis. Stats.

"Project Costs" means the costs of the Project that are eligible for financial assistance from the SDWLP under the Statute, which are allowable costs under the Regulations, which have been incurred by the Municipality, an estimate of which is set forth in Exhibit A hereto and made a part hereof.

"Regulations" means the Act; chs. NR 108, NR 150, NR 151, NR 166, NR 809, NR 810, and NR 811, Wis. Adm. Code, the regulations of DNR; and ch. Adm. 35, Wis. Adm. Code, the regulations of DOA, adopted pursuant to and in furtherance of the Statute, as such may be adopted or amended from time to time.

"SDWLP" means the State of Wisconsin Safe Drinking Water Loan Program, established pursuant to the Statute and managed and administered by DNR and DOA.

"Senior Municipal Obligations" means the Municipality's \$2,500,000 Waterworks System Revenue Bonds, dated August 29, 2014; its \$3,950,000 Waterworks System Revenue Bonds, Series 2017A, dated October 3, 2017; and its \$3,085,000 Waterworks System Revenue Bonds, Series 2020, dated December 30, 2020 and any obligations issued in the future on a parity with such bonds pursuant to the restrictive provisions of the Municipal Obligation Resolution.

"State" means the State of Wisconsin.

"Statute" means ss. 281.59 and 281.61, Wis. Stats., as amended.

"Substantial Completion" means the date on which construction of the Project is sufficiently complete in accordance with the contract documents so that the owner can occupy and utilize the Project for its intended use.

"Supplemental Resolution" shall have the meaning set forth in the Program Resolution.

"Trustee" means the trustee appointed by the State pursuant to the Program Resolution and any successor trustee.

"User Fees" means fees charged or to be charged to users of the Project or the Water System of which the Project is a part pursuant to the Water Rates or otherwise.

"Water Diversion Permit" means a DNR permit issued to the Municipality under s. 30.18(2), Wis. Stats., to divert water from a stream or lake in Wisconsin.

"Water Rates" means a charge or system of charges levied on users of a water system for the user's proportional share of the revenue requirement of a water system which consists of operation and maintenance expenses, depreciation, taxes, and return on investment.

"Water System" means all structures, conduits, and appurtenances by means of which water is delivered to consumers, except piping and fixtures inside buildings served and service pipes from buildings to street mains.

Section 1.02. Rules of Interpretation Unless the context clearly indicates to the contrary, the following rules shall apply to the context of this FAA:

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.

(b) All references herein to particular articles or sections are references to articles or sections of this FAA.

(c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.

(d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms as used in this FAA refer to this FAA in its entirety and not the particular article or section of this FAA in which they appear. The term "hereafter" means after and the term "heretofore" means before the date of delivery of this FAA.

(e) All accounting terms not otherwise defined in this FAA have the meanings assigned to them in accordance with generally accepted accounting principles, and all computations provided for herein shall be made in accordance with generally accepted accounting principles.

## ARTICLE II REPRESENTATIONS

Section 2.01. Representations of the SDWLP The SDWLP represents and warrants as follows:

- (a) The State is authorized to issue the Bonds in accordance with the Statute and the Program Resolution and to use the proceeds thereof to provide funds for the making of the Loan to the Municipality to undertake and complete the Project.
- (b) The SDWLP has complied with the provisions of the Statute and has full power and authority to execute and deliver this FAA, consummate the transactions contemplated hereby, and perform its obligations hereunder.
- (c) The SDWLP is not in violation of any of the provisions of the Constitution or laws of the State which would affect its powers referred to in the preceding paragraph (b).
- (d) Pursuant to the Statute, the SDWLP is authorized to execute and deliver this FAA, and to take actions and make determinations that are required of the SDWLP under the terms and conditions of this FAA.
- (e) The execution and delivery by the SDWLP of this FAA and the consummation of the transactions contemplated by this FAA shall not violate any indenture, mortgage, deed of trust, note, agreement, or other contract or instrument to which the State is a party, or by which it is bound, or, to the best of the SDWLP's knowledge, any judgment, decree, order, statute, rule, or regulation applicable to the SDWLP; all consents, approvals, authorizations, and orders of governmental or regulatory authorities that are required for the consummation of the transactions contemplated thereby have been obtained.
- (f) To the knowledge of the SDWLP, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the SDWLP, or, to the knowledge of the SDWLP, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.
- (g) The Project is on the DNR funding list for the 2023 state fiscal year.

Section 2.02. Representations of the Municipality The Municipality represents and warrants as of the date of this FAA, and with respect to paragraphs (n), (s), and (u), covenants throughout the term of this FAA, as follows:

- (a) The Municipality possesses the legal municipal form of a city under ch. 62, Wis. Stats. The Municipality is located within the State and is a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and has full legal right, power, and authority to:
  - (1) conduct its business and own its properties,
  - (2) enter into this FAA,
  - (3) adopt the Municipal Obligation Resolution,
  - (4) issue and deliver the Municipal Obligations to the SDWLP as provided herein, and
  - (5) carry out and consummate all transactions contemplated by each of the aforesaid documents.

- (b) The Municipality is in compliance with its Water Diversion Permit (if any).
- (c) With respect to the issuance of the Municipal Obligations, the Municipality has complied with the Municipal Obligation Resolution and with all applicable laws of the State.
- (d) The governing body of the Municipality has duly approved the execution and delivery of this FAA and the issuance and delivery of the Municipal Obligations in the aggregate principal amount of \$2,050,765 and authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to, and consummate the transactions contemplated by each of the foregoing.
- (e) This FAA and the Municipal Obligations have each been duly authorized, executed, and delivered, and constitute legal, valid, and binding obligations of the Municipality, enforceable in accordance with their respective terms.
- (f) To the knowledge of the Municipality, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the Municipality, or, to the knowledge of the Municipality any basis therefor:
- (1) affecting the creation, organization, or existence of the Municipality or the title of its officers to their respective offices;
  - (2) seeking to prohibit, restrain, or enjoin the execution of this FAA or the issuance or delivery of the Municipal Obligations;
  - (3) in any way contesting or affecting the validity or enforceability of the Municipal Obligation Resolution, the Municipal Obligations, this FAA, or any agreement or instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by this FAA; or
  - (4) wherein an unfavorable decision, ruling, or finding could adversely affect the transactions contemplated hereby or by the Municipal Obligation Resolution or the Municipal Obligations.
- (g) The Municipality is not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its properties is bound, and no event has occurred that, with the passage of time, the giving of notice, or both, could constitute such a breach or default. The execution and delivery of this FAA, the issuance and delivery of the Municipal Obligations, the adoption of the Municipal Obligation Resolution, and compliance with the respective provisions thereof shall not conflict with, or constitute a breach of or default under, any applicable law or administrative regulation of the State or of the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its property is bound.
- (h) The Municipal Obligations constitute validly-issued legally-binding special obligations of the Municipality secured as set forth therein.
- (i) The resolutions of the Municipality accepting the Loan and the Municipal Obligation Resolution have been duly adopted by the Municipality and remain in full force and effect as of the date hereof.
- (j) The Municipality has full legal right and authority, and all necessary permits, licenses, easements, and approvals (other than such permits, licenses, easements, or approvals that are



not by their nature obtainable prior to Substantial Completion of the Project) required as of the date hereof to own the Project, carry on its activities relating thereto, undertake and complete the Project, and carry out and consummate all transactions contemplated by this FAA.

(k) The Municipality represents that it has not made any commitment or taken any action that shall result in a valid claim for any finders' or similar fees or commitments in respect to the issuance and sale of the Municipal Obligations and the making of the Loan under this FAA.

(l) The Project is eligible under s. 281.61(2), Wis. Stats., for financing from the SDWLP, and the Project Costs are equal to or in excess of the principal amount of the Municipal Obligations. The Project has satisfied the requirements of the State Environmental Review Procedures contained in the Regulations. Portions of the Project that are ineligible for financing from the SDWLP are listed within the Project Manager Summary Page attached hereto as Exhibit F. The Municipality intends the Project to be eligible under the Statute throughout the term of this FAA.

(m) All amounts shown in Exhibit A of this FAA are costs of a Project eligible for financial assistance from the SDWLP under the Statute. All proceeds of any borrowing of the Municipality that have been spent and which are being refinanced with the proceeds of the Loan made hereunder have been spent on eligible Project Costs. All Project Costs are reasonable, necessary, and allocable by the Municipality to the Project under generally accepted accounting principles. None of the proceeds of the Bonds shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.

(n) The Project is and shall remain in compliance with all applicable federal, state, and local laws and ordinances (including rules and regulations) relating to zoning, building, safety, and environmental quality. The Municipality has complied with and completed all requirements of DNR necessary to commence construction of the Project prior to the date hereof. The Municipality intends to proceed with due diligence to complete the Project pursuant to Section 4.04 hereof.

(o) The Municipality does not intend to lease the Project or enter into a long-term contract for operation of the Project except as set forth in Exhibit D.

(p) The Municipality shall not take or omit to take any action which action or omission shall in any way cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Program Resolution.

(q) The Municipality has not taken and shall not take any action, and presently knows of no action that any other person, firm, or corporation has taken or intends to take, that would cause interest on the Municipal Obligations to be includable in the gross income of the owners of the Municipal Obligations for federal income tax purposes. The representations, certifications, and statements of reasonable expectation made by the Municipality as referenced in the Municipal Obligation Counsel Opinion and No Arbitrage Certificate are hereby incorporated by this reference as though fully set forth herein.

(r) Other than (1) "preliminary expenditures" as used in Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding 20% of the principal amount of the Municipal Obligations, or (2) an amount not exceeding the lesser of \$100,000 or 5% of the principal amount of the Municipal Obligations, all of the proceeds of the Bonds loaned to the Municipality (other than refunding proceeds, if any) shall be used for Project Costs paid by the Municipality subsequent to a date which is 60 days prior to the date on which the Municipality adopted a reimbursement resolution pursuant to Treas. Regs. 26 CFR 1.150-2 stating its intent to reimburse other funds of the Municipality used to finance the Project, or subsequent to the issuance date of the Municipal Obligations.

(s) The Municipality represents that it has satisfied and shall continue to satisfy all the applicable requirements in ss. 281.61(3), (4), (5), and (8m), Wis. Stats., and ch. NR 166, Wis. Adm. Code.

(t) The Municipality has adopted a rate, charge, or assessment schedule that will generate annually sufficient revenue to pay the principal of and interest on the Municipal Obligations.

(u) The Municipality is in substantial compliance and shall remain in substantial compliance with all applicable conditions, requirements, and terms of financial assistance previously awarded through any federal construction grants program, the SDWLP or the CWFPP.

(v) The Municipality has met all terms and conditions contained within and received DNR approval for the Municipality's Plans and Specifications for the Project described in the definitions hereof.

(w) The Municipality represents that it submitted to DNR a bid tabulation for the Project with a recommendation to DNR for review and concurrence. The actual Substantial Completion date of the Project was November 4, 2022.

(x) The Municipality acknowledges that s. 281.59(11)(b), Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by deducting those amounts from any State payments due the Municipality. State aids information is available on: the Wisconsin Department of Revenue's website at <https://www.revenue.wi.gov/Pages/Report/Shared-Revenue-Estimates.aspx>, and the Wisconsin Department of Transportation's website <https://wisconsindot.gov/Pages/doing-bus/local-gov/astnce-pgms/highway/gta.aspx>.

The Municipality acknowledges that ss. 281.59(11)(b) and 70.60, Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located.

(y) The Municipality acknowledges that the State reserves the right upon default by the Municipality hereunder to have a receiver appointed to collect User Fees from the operation of the Municipality's Water System or, in the case of a joint utility system, to bill the users of the Municipality's Water System directly.

(z) The representations of the Municipality in the Application are true and correct as of the date of this FAA and are incorporated herein by reference as if fully set forth in this place.

(aa) There has been no material adverse change in the financial condition or operation of the Municipality or the Project since the submission date of the Application.

(bb) The Municipality submitted a water rate application to the Public Service Commission. This water rate application is for Water Rates that shall generate sufficient revenues, together with other funds available to the Municipality, to pay all costs of operating and maintaining the facilities of the Municipality's entire Water System, in accordance with this FAA. The Municipality implemented the Water Rates upon the Wisconsin Public Service Commission's approval of the rate order.

### ARTICLE III LOAN PROVISIONS

#### Section 3.01. Loan Clauses

- (a) Subject to the conditions and in accordance with the terms of this FAA, the SDWLP hereby agrees to make the Loan and the Municipality agrees to accept the Loan. As evidence of the Loan made to the Municipality, the Municipality hereby agrees to sell to the SDWLP Municipal Obligations in the aggregate principal amount of \$2,050,765. The SDWLP shall pay for the Municipal Obligations in lawful money of the United States, which shall be disbursed as provided in this FAA.
- (b) Prior to disbursement, Loan proceeds shall be held by the SDWLP or by the Trustee for the account of the SDWLP. Earnings on undisbursed Loan proceeds shall be for the account of the SDWLP. Loan proceeds shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.05 hereof.
- (c) The Loan shall bear interest at the rate of two and 145/1000ths percent (2.145%) per annum, and interest shall accrue and be payable only on Loan proceeds actually disbursed from the date of disbursement until the date such amounts are repaid.
- (d) The Municipal Obligation shall include the Loan Disbursement Table (Exhibit C). The actual dates of disbursements shall be reflected as part of the Municipal Obligations. DOA shall make entries as each disbursement is made and as each principal amount is repaid; the SDWLP and the Municipality agree that such entries shall be mutually binding.
- (e) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Loan.
- (f) The Municipality shall deliver, or cause to be delivered, a Municipal Obligation Counsel Opinion to the SDWLP concurrently with the delivery of the Municipal Obligations.

Section 3.02. Loan Amortization Principal and interest payments on the Loan (and on the Municipal Obligations evidencing the Loan) shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Loan is disbursed to the Municipality on July 12, 2023. It is understood that the actual amount of the Municipality's Loan payments shall be based on the actual dates and amounts of Loan disbursements for the Project. Notwithstanding the foregoing or anything in the Municipal Obligations, the Loan shall be for no longer than twenty (20) years from the date of this FAA and shall mature and be fully amortized not later than twenty (20) years after the original issue date of the Municipal Obligations. Repayment of principal on the Loan shall begin not later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

Section 3.03. Type of Municipal Obligation and Security The Municipality's obligation to meet annual debt service requirements shall be a revenue obligation evidenced by issuance of revenue bonds pursuant to s. 66.0621, Wis. Stats. The security for the Municipality's obligation shall be a pledge of revenues to be derived from the Municipality's Water System, and the Municipality shall agree that, if revenues from the Water System are insufficient to meet annual debt service requirements, the Municipality shall purchase water services in amounts sufficient to meet annual debt service requirements as provided in and set forth in Section 9 of the Municipal Obligation Resolution. The annual revenues net of all current expenses shall be equal to not less than the annual principal and interest requirements on the Senior Municipal Obligations, the Municipal Obligations, any Parity Obligations, and any other debt obligations payable from the revenues of the Water System then outstanding, times the greater of (i) 110

percent or (ii) the highest debt service coverage ratio required with respect to the Senior Municipal Obligations, any Parity Obligations, or any other debt obligations payable from the revenues of the Water System then outstanding. As of the date of this FAA, the required debt service coverage ratio is 125 percent; however, this percentage is subject to change as outlined in the prior sentence. The Loan is also secured as provided in Section 3.07 hereof.

#### Section 3.04. Sale and Redemption of Municipal Obligations

(a) Municipal Obligations may not be prepaid without the prior written consent of the SDWLP. The SDWLP has sole discretion to withhold such consent.

(b) The Municipality shall pay all costs and expenses of the SDWLP in effecting the redemption of the Bonds to be redeemed with the proceeds of the prepayment of the Municipal Obligations. Such costs and expenses may include any prepayment premium applicable to the SDWLP and any investment losses incurred or sustained by the SDWLP resulting directly or indirectly from any such prepayment.

(c) Subject to subsection (a), the Municipality may prepay the Loan with any settlements received from any third party relating to the design or construction of the Project.

(d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations.

#### Section 3.05. Disbursement of Loan Proceeds

(a) Each disbursement request shall be delivered to DNR. Each request must contain invoices or other evidence acceptable to DNR and DOA that Project Costs for which disbursement is requested have been incurred by the Municipality.

(b) The SDWLP, through its agents or Trustee, plans to make disbursements of Loan proceeds on a semimonthly basis upon approval of each disbursement request by DNR and DOA. Such approval by DNR and DOA may require adjustment and corrections to the disbursement request submitted by the Municipality. The Municipality shall be notified whenever such an adjustment or correction is made by DNR or DOA.

(c) Disbursements made to the Municipality are subject to pre- and post-payment adjustments by DNR or DOA.

(1) If the Loan proceeds are not yet fully disbursed, and SDWLP funds were previously disbursed for costs not eligible for SDWLP funding or not eligible under this FAA, the SDWLP shall make necessary adjustments to future disbursements.

(2) If the Loan proceeds are fully disbursed, including disbursements for any costs not eligible for SDWLP funding or not eligible under this FAA, the Municipality agrees to repay to the SDWLP an amount equal to the non-eligible costs within 60 days of notification by DNR or DOA. The SDWLP shall then apply the amount it receives as a Loan prepayment.

(d) The SDWLP or its agent shall disburse Loan proceeds only to the Municipality's account by electronic transfer of funds. The Municipality hereby covenants that it shall take actions and provide information necessary to facilitate these transfers.

(e) Disbursement beyond ninety-five percent (95%) of the principal amount of the Loan, unless otherwise agreed to by DNR and DOA pursuant to a written request from the Municipality, may be withheld until:

- (1) DNR is satisfied that the Project has been completed in accordance with the Plans and Specifications, and DNR has approved all change orders relating to the Project;
- (2) the Municipality certifies to DNR its acceptance of the Project from its contractors;
- (3) the Municipality certifies in writing to DNR its compliance with applicable Federal requirements (certification must be as prescribed on Exhibit G); and
- (4) DNR certifies in writing to DOA the Municipality's compliance with all applicable requirements of this FAA.

(f) Treas. Regs. 26 CFR § 1.148-6(d)(1)(iii) applies to project expenditures; it states, in part, "An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service".

#### Section 3.06. Remedies

(a) If the Municipality:

- (1) or any authorized representative is not complying with federal or state laws, regulations, or requirements relating to the Project, and following due notice by DNR the Project is not brought into compliance within a reasonable period of time; or
- (2) is not complying with or is in violation of any provision set forth in this FAA; or
- (3) is not in compliance with the Statute or the Regulations;

then DNR may, until the Project is brought into compliance or the FAA non-compliance is cured to the satisfaction of DNR or DOA, impose one (1) or more of the following sanctions:

- (i) Progress payments or disbursements otherwise due the Municipality of up to 20% may be withheld.
- (ii) Project work may be suspended.
- (iii) DNR may request a court of appropriate jurisdiction to enter an injunction or afford other equitable or judicial relief as the court finds appropriate.
- (iv) Other administrative remedies may be pursued.

(b) If the Municipality fails to make any payment when due on the Municipal Obligations or fails to observe or perform any other covenant, condition, or agreement on its part under this FAA for a period of thirty (30) days after written notice is given to the Municipality by DNR, specifying the default and requesting that it be remedied, the SDWLP is provided remedies by law and this FAA. These remedies include, but are not limited to, the following rights:

- (1) Pursuant to s. 281.59(11)(b), Wis. Stats., DOA shall place on file a certified statement of all amounts due the SDWLP under this FAA. DOA may collect all amounts due the SDWLP by deducting those amounts from any State payments due the Municipality, or

adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located under s. 70.60, Wis. Stats.

(2) The SDWLP may, without giving bond to the Municipality or anyone claiming under it, have a receiver appointed for the SDWLP's benefit of the Project and the Municipality's Water System and of the earnings, income, rents, issues, and profits thereof, with such powers as the court making such appointment shall confer. The Municipality hereby irrevocably consents to such appointment.

(3) In the case of a joint utility system, the SDWLP may bill the users of the Municipality's system directly.

(4) The SDWLP may declare the principal amount of the Municipal Obligations immediately due and payable.

(5) The SDWLP may enforce any right or obligation under this FAA, including the right to seek specific performance or mandamus, whether such action is at law or in equity.

(6) The SDWLP may increase the interest rate set forth in Section 3.01 hereof to the market interest rate as defined in the Statute and Regulations.

Section 3.07. Security for the Loan In accordance with the terms of the Municipal Obligation Resolution:

(a) as security for the Loan hereunder, the Municipality hereby pledges the revenue to be derived from the Municipality's Water Rates (which is a dedicated source of revenue); and

(b) other than as already pledged to the outstanding Senior Municipal Obligations, the Municipality shall not pledge the revenues, except as provided in Section 11 of the Municipal Obligation Resolution, to be derived from the Municipality's Water Rates or other revenues pledged under Section 3.07(a) above, to any person other than the SDWLP, unless the revenues pledged to such other person meet the highest debt coverage ratio then applicable to the Municipality.

Section 3.08. Effective Date and Term This FAA shall become effective upon its execution and delivery by the parties hereto, shall remain in full force and effect from such date, and shall expire on such date as the Municipal Obligations shall be discharged and satisfied in accordance with the provisions thereof.

## ARTICLE IV CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance The Municipality agrees to maintain property and liability insurance for the Water System and Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of the Loan. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of the Loan.

In the event the Water System or Project is damaged or destroyed, the Municipality agrees to use the proceeds from its insurance coverage either to repay the Loan or to repair or replace the Water System.

### Section 4.02. Construction of the Project

(a) The Municipality shall construct the Project, or cause it to be constructed, to Final Completion in accordance with the Application and the Plans and Specifications. The Municipality shall proceed with the acquisition and construction of the Project in conformity with law and with all applicable requirements of governmental authorities having jurisdiction with respect thereto, subject to such modifications of Plans and Specifications that alter the cost of the Project, use of space, Project scope, or functional layout, as may be previously approved by DNR.

(b) During construction of the Project, if the Municipality replaces a lead service line in the Water System that results in creation of a partial lead service line due to the private portion of the service line also containing lead, or containing galvanized iron or galvanized steel, the SDWLP shall not provide funding for any Project work on the city block on which the partial lead service line was created.

(c) If a lead service line, including both the public portion and the private portion of the line, cannot be replaced in its entirety all at one time, the Municipality shall supply water filters to any affected homes to minimize any harmful effects. The Municipality shall attempt to replace a service line in its entirety within 45 days of the start of construction on the lead service line. In no case shall the full replacement period exceed 180 days.

Section 4.03. Performance Bonds The Municipality shall provide, or cause to be provided, performance bonds assuring the performance of the work to be performed under all construction contracts entered into with respect to the Project. All performance bonds required hereunder shall be issued by independent surety companies authorized to transact business in the State.

### Section 4.04. Completion of the Project

(a) The Municipality agrees that it shall undertake and complete the Project for the purposes and in the manner set forth in this FAA and in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto. The Municipality shall, with all practical dispatch and in a sound and economical manner, complete or cause to be completed the acquisition and construction of the Project and do all other acts necessary and possible to entitle it to receive User Fees with respect to the Project at the earliest practicable time. The Municipality shall obtain all necessary approvals from any and all governmental agencies prior to construction which are requisite to the Final Completion of the Project.

(b) The Municipality shall notify DNR of the Substantial Completion of the Project. The Municipality shall cause to be prepared as-built plans for the Project at or prior to completion thereof.

(c) The Municipality shall take and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently and in accordance with the terms of the contracts including, without limitation, the correcting of defective work.

(d) Upon Final Completion of the Project in accordance with the Plans and Specifications, the Municipality shall:

- (1) certify to DNR its acceptance of the Project from its contractors, subject to claims against contractors and third parties;
- (2) complete and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form attached hereto as Exhibit E of this FAA;
- (3) prepare and deliver to DNR the completed Federal Requirements Compliance Certification attached hereto as Exhibit G of this FAA;
- (4) certify compliance with Section 4.02 of this FAA; and
- (5) obtain all required permits and authorizations from appropriate authorities, if required, for operation and use of the Project.

#### Section 4.05. Payment of Additional Project Costs

(a) In the event of revised eligibility determinations, cost overruns, and amendments exceeding the Loan amount, the SDWLP may allocate additional financial assistance to the Project. The allocation of additional financial assistance may be in the form of a loan at less than the market interest rate, which is established pursuant to the Statute and Regulations. The allocation of additional financial assistance shall depend upon availability of funds, pursuant to the Statute and the Regulations.

(b) In the event Loan proceeds are not sufficient to pay the costs of the Project in full, the Municipality shall nonetheless complete the Project and pay that portion of the Project Costs as may be in excess of available Loan proceeds, and shall not be entitled to any reimbursement therefor from the SDWLP, or the owners of any Bonds, except from the proceeds of additional financing which may be provided by the SDWLP pursuant to an amendment to this FAA or through a separate financial assistance agreement.

Section 4.06. No Warranty Regarding Condition, Suitability, or Cost of Project Neither the SDWLP, DOA, DNR, nor the Trustee makes any warranty, either express or implied, as to the Project or its condition, or that it shall be suitable for the Municipality's purposes or needs, or that the proceeds of the Loan shall be sufficient to pay the costs of the Project. Review or approval of engineering reports, facilities plans, Plans and Specifications, or other documents, or the inspection of Project construction by DNR, does not relieve the Municipality of its responsibility to properly plan, design, build, and effectively operate and maintain the Project as required by laws, regulations, permits, and good management practices. DNR or its representatives are not responsible for increased costs resulting from defects in the Plans and Specifications or other Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party performing Project work.



## ARTICLE V COVENANTS

Section 5.01. Application of Loan Proceeds The Municipality shall apply the proceeds of the Loan solely to Project Costs.

Section 5.02. Operation and Maintenance

(a) After completion of the Project, the Municipality shall:

- (1) at all times operate the Project or otherwise cause the Project to be operated properly and in a sound and economical manner, including proper training of personnel;
- (2) maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept in good repair, working order, and condition; and
- (3) periodically make, or cause to be made, all necessary and proper repairs, replacements, and renewals so that at all times the operation of the Project may be properly conducted in a manner that is consistent with the Project performance standards contained in the Application and the requirements of the Water Diversion Permit (if any).

(b) So long as the Loan is outstanding, the Municipality shall not, without the approval of DNR, discontinue operation of, sell, or otherwise dispose of the Water System or Project, except for portions of the Water System sold or otherwise disposed of in the course of ordinary repair and replacement of parts.

Section 5.03. Compliance with Law At all times during construction of the Project and operation of the Water System, the Municipality shall comply with all applicable federal, state, and local laws, ordinances, rules, regulations, permits, and approvals, and with this FAA, including, without limitation, the Statute, the Regulations, and the Water Diversion Permit (if any).

Section 5.04. Public Ownership The Municipality shall at all times retain ownership of the Project and the Water System of which it is a part.

Section 5.05. Establishment of Project Accounts; Audits

(a) The Municipality shall maintain Project accounts in accordance with generally accepted accounting principles (GAAP), including standards relating to the reporting of infrastructure assets and directions issued by the SDWLP. Without any request the Municipality shall furnish to DOA as soon as available, and in any event within one hundred eighty (180) days after the close of each fiscal year, a copy of the audit report for such year and accompanying GAAP-based financial statements for such period, as examined and reported by independent certified public accountants of recognized standing selected by the Municipality and reasonably satisfactory to DOA, whose reports shall indicate that the accompanying financial statements have been prepared in conformity with GAAP and include standards relating to the reporting of infrastructure assets.

(b) The Municipality shall maintain a separate account that reflects the receipt and expenditure of all SDWLP funds for the Project. All Loan proceeds shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall: permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Loan; produce, or cause to be produced, all records relating to any work performed under the terms of this FAA for examination at such times as may be

designated by any of them; permit extracts and copies of the Project records to be made by any of them; and fulfill information requests by any of them.

Section 5.06. Records The Municipality shall retain all files, books, documents, and records relating to construction of the Project for at least three years following the date of Final Completion of the Project, or for longer periods if necessary due to any appeal, dispute, or litigation. All other files and records relating to the Project shall be retained so long as this FAA remains in effect. As-built plans for the Project shall be retained for the useful life of the Project.

Section 5.07. Project Areas The Municipality shall permit representatives of DNR access to the Project and related records at all reasonable times, include provisions in all contracts permitting such access during construction and operation of the Water System, and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.08. Engineering Inspection The Municipality shall provide competent and adequate inspection of all Project construction under the direction of a professional engineer licensed in the State. The Municipality shall direct such engineer to inspect work necessary for the construction of the Project and to determine whether such work has been performed in accordance with the Plans and Specifications. Any such work not in accordance with the Plans and Specifications shall be remedied, unless such noncompliance is waived by DNR.

#### Section 5.09. Tax Covenants

(a) The Municipality covenants and agrees that it shall not take any action, or omit to take any action, which action or omission would result in the loss of the exclusion of the interest on any Municipal Obligations now or hereafter issued from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code or any successor provision.

(b) The Municipality shall not take any action, or omit to take any action, which action or omission would cause its Municipal Obligations to be "private activity bonds" within the meaning of Section 141(a) of the Code or any successor provision.

(c) The Municipality shall not directly or indirectly use, or permit the use of, any proceeds of the Bonds (or amounts replaced with such proceeds) or any other funds, or take any action, or omit to take any action, which use or action or omission would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or any successor provision. The Municipality hereby further covenants to ensure that all amounts actually received by such Municipality from the SDWLP are advanced within three Business Days to the entity submitting the invoice (or to reimburse the Municipality) to which each amount relates, and that all amounts actually received by such Municipality from the SDWLP shall not be invested in any interest-bearing account.

(d) The Municipality shall not use (directly or indirectly) the proceeds of the Bonds in any manner that would constitute an "advance refunding" within the meaning of Section 149(d)(2) of the Code or any successor provision. Without limiting the foregoing, any proceeds of the Bonds used to repay interim or other prior financing of Project Costs will be applied within three (3) Business Days of receipt of the proceeds to the payment of principal of such financing.

#### Section 5.10. User Fee Covenant

(a) The Municipality hereby certifies that it has adopted and shall charge User Fees with respect to the Project in accordance with applicable laws and the Statute and in amounts such that revenues of the Municipality with respect to the Project shall be sufficient, together with other funds available to the Municipality for such purposes, to pay all costs of operating and

maintaining the Project in accordance with this FAA and to pay all amounts due under this FAA and the Municipal Obligations.

(b) The Municipality covenants that it shall adopt and shall adequately maintain for the design life of the Project a system of User Fees with respect to the Project. The Municipality covenants that it shall, from time to time, revise and charge User Fees with respect to the Project such that the revenues and funds described in paragraph (a) shall be sufficient to pay the costs described in paragraph (a).

Section 5.11. Notice of Impaired System The Municipality shall promptly notify DNR and DOA in the case of: any material damage to or destruction of the Project or any part thereof; any actual or threatened proceedings for the purpose of taking or otherwise affecting by condemnation, eminent domain, or otherwise, all or a part of the Water System; or any action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or agency, or any other event which may impair the ability of the Municipality to construct the Project, operate the Water System, or set and collect User Fees as set forth in Section 5.10.

Section 5.12. Hold Harmless The Municipality shall save, keep harmless, and defend DNR and DOA, and all their officers, employees, and agents, against any and all liability, claims, and costs of whatever kind and nature for injury to or death of any person or persons and for loss or damage to any property occurring in connection with or in any way incident to or arising out of the construction, occupancy, use, service, operation, or performance of work in connection with the Project, the Water System, or acts or omissions of the Municipality's employees, agents, or representatives.

Section 5.13. Nondiscrimination Covenant

(a) In connection with the Project, the Municipality agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Municipality agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provision of the nondiscrimination clause.

(b) The Municipality shall incorporate the following provision into all Project contracts which have yet to be executed: "In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant because of age, race, religion, color, handicap, sex, physical condition, developmental disability, or national origin. The contractor further agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor further agrees to take affirmative action to ensure equal employment opportunities for persons with disabilities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause."

Section 5.14. Employees The Municipality or its employees or agents are not employees or agents of the DNR or DOA for any purpose including worker's compensation.

Section 5.15. Adequate Funds The Municipality shall have sufficient funds available to repay the Loan. The Municipality shall have sufficient funds available when construction of the Project is completed to ensure effective operation and maintenance of the Project for purposes constructed.

Section 5.16. Management The Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the construction site to ensure that the completed work conforms with the Plans and Specifications. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.17. Reimbursement Any disbursement made under the Loan to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice stating the amount of excess funds disbursed.

Section 5.18. Unpaid User Fees The Municipality shall, to the fullest extent permitted by law, take all actions necessary to certify any unpaid User Fees to the county treasurer in order that such unpaid User Fees shall be added as a special charge to the property tax bill of the user.

Section 5.19. Rebates The Municipality agrees to pay to the SDWLP any refunds, rebates, credits, or other amounts received for Project Costs for which disbursement of funds has already been made by the SDWLP. The SDWLP shall then apply the amount it receives as a Loan prepayment.

Section 5.20. Maintenance of Legal Existence

(a) Except as provided in par. (b), the Municipality shall maintain its legal existence and shall not dissolve or otherwise dispose of all or substantially all of its assets and shall not consolidate with or merge into another legal entity.

(b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, or transfer all or substantially all of its assets to another legal entity (and thereafter be released of all further obligation under this FAA and the Municipal Obligations) if:

(1) the resulting, surviving, or transferee legal entity is a legal entity established and duly existing under the laws of Wisconsin;

(2) such resulting, surviving, or transferee legal entity is eligible to receive financial assistance under the Statute;

(3) such resulting, surviving, or transferee legal entity expressly assumes in writing all of the obligations of the Municipality contained in this FAA and the Municipal Obligations and any other documents the SDWLP deems reasonably necessary to protect its environmental and credit interests; and

(4) the SDWLP consents in writing to such transaction, which consent may be withheld in the absolute discretion of the SDWLP.

Section 5.21. Wage Rate Requirements The Municipality represents that it shall comply with Section 1450(e) of the Act (42 USC 300j-9(e)), which requires that all laborers and mechanics employed by contractors and subcontractors funded directly by, or assisted in whole or in part with, funding under the Loan shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Section 5.22. American Iron and Steel The Municipality agrees to comply with requirements for use of American Iron and Steel contained in Public Law 115-141 for products used in the Project that are made primarily of iron and/or steel.

Section 5.23. Federal Single Audit At the time of signing of this FAA, the funds awarded to the Municipality for this Project are not considered to be subject to federal single audit requirements, but such consideration may change subsequent to this FAA if any changes are made to federal single audit requirements applicable to municipalities.

ARTICLE VI  
MISCELLANEOUS

Section 6.01. Notices All notices, certificates, or other communications hereunder shall be sufficiently given, and shall be deemed given, when hand delivered or mailed by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below:

- (a) DEPARTMENT OF ADMINISTRATION  
OFFICE OF CAPITAL FINANCE  
SAFE DRINKING WATER LOAN PROGRAM  
101 EAST WILSON STREET 10TH FLOOR  
MADISON WI 53702-0004  
OR  
PO BOX 7864  
MADISON WI 53707-7864
- (b) DEPARTMENT OF NATURAL RESOURCES  
BUREAU OF COMMUNITY FINANCIAL ASSISTANCE  
101 SOUTH WEBSTER STREET CF/2  
MADISON WI 53702-0005  
OR  
PO BOX 7921  
MADISON WI 53707-7921
- (c) US BANK CORP TRUST  
MATTHEW HAMILTON EP-MN-WS3T  
60 LIVINGSTON AVENUE  
ST PAUL MN 55101-2292
- (d) CITY OF KAUKAUNA  
144 WEST SECOND STREET  
KAUKAUNA WI 54130

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent, by notice in writing given to the others. Any notice herein shall be delivered simultaneously to DNR and DOA.

Section 6.02. Binding Effect This FAA shall be for the benefit of, and shall be binding upon, the SDWLP and the Municipality and their respective successors and assigns.

Section 6.03. Severability In the event any provision of this FAA shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable, or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements, and Modifications This FAA may be amended, supplemented, or modified to provide for additional loans for the Project by the SDWLP to the Municipality or for other purposes. All amendments, supplements, and modifications shall be in writing between the SDWLP (by DNR and DOA acting under authority of the Statute) and the Municipality.

Section 6.05. Execution in Counterparts This FAA may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 6.06. Applicable Law This FAA shall be governed by and construed in accordance with the laws of the State, including the Statute.

Section 6.07. Benefit of Financial Assistance Agreement This FAA is executed, among other reasons, to induce the purchase of the Municipal Obligations. Accordingly, all duties, covenants, obligations, and agreements of the Municipality herein contained are hereby declared to be for the benefit of, and are enforceable by, the SDWLP, the Trustee, or their authorized agents.

Section 6.08. Further Assurances The Municipality shall, at the request of DNR and DOA, authorize, execute, acknowledge, and deliver such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning, and confirming the rights, security interests, and agreements granted or intended to be granted by this FAA and the Municipal Obligations.

Section 6.09. Assignment of Municipal Obligations The Municipality hereby agrees that the Municipal Obligations may be sold, transferred, pledged, or hypothecated to any third party without the consent of the Municipality.

Section 6.10. Covenant by Municipality as to Compliance with Program Resolution The Municipality covenants and agrees that it shall comply with the provisions of the Program Resolution with respect to the Municipality and that the Trustee and the owners of the Bonds shall have the power and authority provided in the Program Resolution. The Municipality further agrees to aid in the furnishing to DNR, DOA, or the Trustee of opinions that may be required under the Program Resolution.

Section 6.11. Termination This FAA may be terminated in whole or in part pursuant to one or more of the following:

- (a) The SDWLP and the Municipality may enter into an agreement to terminate this FAA at any time. The termination agreement shall establish the effective date of termination of this FAA, the basis for settlement of termination costs, and the amount and date of payment of any sums due either party.
- (b) If the Municipality wishes to unilaterally terminate all or any part of the Project work for which financial assistance has been awarded, the Municipality shall promptly give written notice to DNR. If the SDWLP determines that there is a reasonable basis for the requested termination, the SDWLP may enter into a termination agreement, including provisions for FAA termination costs, effective with the date of cessation of the Project work by the Municipality. If the SDWLP determines that the Municipality has ceased work on the Project without reasonable basis, the SDWLP may unilaterally terminate financial assistance or rescind this FAA.

Section 6.12. Rescission The SDWLP may rescind this FAA prior to the first disbursement of any funds hereunder if it determines that:

- (a) there has been substantial non-performance of the Project work by the recipient without justification under the circumstances;
- (b) there is substantial evidence this FAA was obtained by fraud;
- (c) there is substantial evidence of gross abuse or corrupt practices in the administration of the Project;
- (d) the Municipality has failed to comply with the covenants contained in this FAA; or
- (e) any of the representations of the Municipality contained in this FAA were false in any material respect.

IN WITNESS WHEREOF, the SDWLP and the Municipality have caused this FAA to be executed and delivered, as of the date and year first written above.

CITY OF KAUKAUNA

By: \_\_\_\_\_  
Anthony J. Penterman  
Mayor

Attest: \_\_\_\_\_  
Sally Kenney  
City Clerk

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

By: \_\_\_\_\_  
Authorized Officer

STATE OF WISCONSIN  
DEPARTMENT OF NATURAL RESOURCES

By: \_\_\_\_\_  
Authorized Officer



EXHIBIT A  
PROJECT BUDGET SHEET

CITY OF KAUKAUNA  
SDWLP Project No. 5120-09

	SDWLP Loan Amount
Force Account	\$ — 0
Interim Financing	— 0
Preliminary Engineering	— 69,589
Land or Easement Acquisition	— 0
Engineering/Construction Management	— 38,411
Construction/Equipment	— 1,876,794
Contingency	— 70,935
Miscellaneous Costs	— 0
SDWLP Closing Costs	— 13,500
<b>TOTAL</b>	<b>\$2,069,229</b>

EXHIBIT A  
PROJECT BUDGET SHEET

CITY OF KAUKAUNA  
SDWLP Project No. 5120-09

	Total Project Costs	Ineligible Costs	LSL Loan 5120-07	1% DBE Sanction	Net SDWLP Loan Amount
Force Account	0	0	0	0	0
Interim Financing	0	0	0	0	0
Preliminary Engineering	69,589	0	0	0	69,589
Land or Easement Acquisition	0	0	0	0	0
Engineering/Construction Mgmt.	38,411	0	0	0	38,411
Construction/Equipment	3,972,172	1,709,178	386,200	18,768	1,858,026
Contingency	70,935	0	0	0	70,935
Miscellaneous Costs	304	0	0	0	304
SDWLP Closing Costs	13,500	0	0	0	13,500
<b>TOTAL</b>	<b>4,164,911</b>	<b>1,709,178</b>	<b>386,200</b>	<b>18,768</b>	<b>2,050,765</b>

EXHIBIT B

LOAN AMORTIZATION SCHEDULE

INTEREST RATES AND PRINCIPAL REPAYMENT SCHEDULE

EXHIBIT C  
FORM OF LOAN DISBURSEMENT TABLE

<u>Amount of Disbursement</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____

EXHIBIT D

OPERATING CONTRACTS

As of the date of this FAA, the Municipality does not have any contracts with private entities or other governmental units to operate its Water System.

## EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF KAUKAUNA  
SDWLP Project No. 5120-09

1. **Project Description:** The Project consists of water main replacements in a utility easement between 7th Street and Elm Street, Island Street, and in an easement between Maple Street and Elm Street. The work will include replacement of a raw water transmission main. The replacements will include approximately 300 feet of 8-inch diameter ductile iron pipe and 2,650 feet of 8-inch diameter PVC pipe. The Project also includes water main replacement of approximately 5,350 feet of 8-inch diameter PVC pipe on Whitney Street, Hendricks Avenue, West Sixth Street, West Seventh Street, and West Eighth Street.
2. **Ineligible Costs:** \$1,709,178 of the Project is ineligible because it is related to water main and storm water work and will be paid out using internal funds.
3. **Other Funding Sources:** Lead Service Line (LSL) replacement loan 5120-07 was used to fund \$386,200 of LSL replacement work.
4. **Miscellaneous Costs:** As shown in the Project Budget Sheet (Exhibit A), SDWLP funding in the amount of \$304 is included in the Miscellaneous category for bid advertising.
5. **Contingency Allowance:** The contingency allowance of \$70,935 is five percent of the amount of uncompleted construction work adjusted for CME reviewed change orders for the Kenneth Avenue portion of the project. The Island Street portion of the project has 3 change orders detailed below that total \$16,259. The Municipality must obtain CME approval of change orders prior to requesting reimbursement.

Kenneth Ave. Base contingency			\$54,676
Carl Bowers & Sons	Island St.	CO No. 1	\$81,899
Carl Bowers & Sons	Island St.	CO No. 2	\$0
Carl Bowers & Sons	Island St.	CO No. 3	-\$65,640.90
Total Contingency Allowance			\$70,935

6. **DBE Good Faith Effort:** While the contractor made a good faith effort by reaching out to DBEs to request they apply for bids, the Municipality did not. A 1% sanction is being applied to eligible construction costs totaling \$18,768.
7. **Green Project Reserve:** No GPR elements were identified during the review of this Project.
8. **American Iron and Steel:** This Project is subject to the use of American Iron and Steel (AIS) requirements mandated under EPA's Drinking Water State Revolving Fund program.
9. **Environmental Review:** A construction site storm water permit may be required if the contiguous project area exceeds 1 acre. It is recommended to utilize invasive species guidelines as appropriate throughout the project. Some project areas are within 300' of waterways and/or wetlands therefore erosion mitigation measures are recommended.

## EXHIBIT E

**ENVIRONMENTAL IMPROVEMENT FUND  
CONTRACT UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)**

**MANDATORY PROJECT CLOSEOUT DOCUMENT**

Note: This form is authorized by s. NR 166.16(4)(b)4, Wis. Adm. Code. Receipt of this completed form by the Department is mandatory prior to receiving a final disbursement. The information printed on this form is taken from the completed Good Faith Certification Form 8700-294 and MBE/WBE Contacts Worksheet Form 8700-294A. Any changes or additions made to the list of prime contractors and DBE subcontractors during the construction must be reflected on this form at closeout. Personal information collected on this form will be used for program administration and must be made available to requesters as required by Wisconsin Open Records Law (ss. 19.31 – 19.39, Wis. Stats).

Municipality Name: City of Kaukauna	Project Number: 5120-09	Loan/Grant Amount: \$2,050,765
Project Description: Replace Water Mains on 6th, 7th, 8th, Whitney, Sullivan, Hendricks, and Island Street		
Did the municipality satisfy the MBE/WBE requirements? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If no, refer to Exhibit F-Project Manager Summary Page).		

Construction/Equipment/Supplies Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Carl Bowers & Sons Construction Co. Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	3,972,172	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

Professional/Technical Services Contracts	DBE Type	Type of Product or Service	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: McMahon Associates, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	108,000	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

\*Type of Product or Service examples: landscaping, trucking, supplies, equipment, paving, concrete, plumbing, electrical, excavating, testing, design, etc.

Name of Person Completing This Form	Email Address	Phone Number
-------------------------------------	---------------	--------------

Certification		
I certify that, to the best of my knowledge and belief, the information provided on this form is complete and correct.		
Name/Title of Municipal Official	Signature	Date Signed



## EXHIBIT G

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

## [Prepare on Municipal Letterhead at Project Completion and Closeout]

The undersigned officials of the City of Kaukauna (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 5120-09 (the "Project"), the Municipality has met the prevailing wage rate requirements of the Davis-Bacon Act.

The Municipality further certifies that, after taking into account any national or project-specific waivers approved by the U.S. Environmental Protection Agency, DNR Project No. 5120-09 has met the requirements for the use of American Iron and Steel mandated under EPA's Drinking Water State Revolving Fund program.

The above certification is determined, after due and diligent investigation, to be true and accurate to the best of my knowledge.

By: \_\_\_\_\_  
 [Name of Municipal Official or  
 Authorized Representative]  
 [Title]

Dated as of: \_\_\_\_\_

Attest: \_\_\_\_\_  
 [Name of Clerk or Secretary]  
 [Title]

Dated as of: \_\_\_\_\_

