



THIRD REGULAR COMMON COUNCIL MEETING AGENDA

May 02, 2022 at 6:00 PM

**City Hall, 3rd Floor - Council Chambers, 828 Center Avenue,
Sheboygan, WI**

"Today is not just another day. It's a new opportunity"

This meeting may be viewed LIVE on Charter Spectrum Channel 990, AT&T U-Verse Channel 99 and:
www.wscssheboygan.com/vod.

Notice of the 3rd Regular Meeting of the 2022-2023 Common Council at 6:00 PM, MONDAY, May 2, 2022 in City Hall, 3rd Floor - Council Chambers, 828 Center Avenue, Sheboygan, WI. Persons with disabilities who need accommodations to attend the meeting should contact Meredith DeBruin at the City Clerk's Office, 828 Center Avenue, (920) 459-3361.

Members of the public who wish to participate in public forum remotely shall provide notice to the City Clerk at (920) 459-3361 at least 24 hours before the meeting so that the person may be provided a remote link for that purpose.

OPENING OF MEETING

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Minutes**
Second Regular Council Meeting held on April 25, 2022
4. **Presentation**
*"Review of the League of WI Municipalities: Addressing the Affordable Housing Crisis Recommendations"
by Chad Pelishek, Director of Planning and Development*
5. **Resignation**
Markus Savaglio as District 5 Alderperson
6. **Mayoral Appointments**
Lisa Salgado to the Mayor's International Committee and Fay Wingrove to the Board of Review
7. **Public Forum**
Limit of five people having five minutes each with comments limited to items on this agenda.
8. **Mayor's Announcements**
Upcoming Community Events, Proclamations, Employee Recognitions

CONSENT

9. **Motion to Receive and File all R.O.'s, Receive all R.C.'s and Adopt all Resolutions and Ordinances**

- [10.](#) R. O. No. 7-22-23 by Board of Water Commissioners submitting a copy of the 2021 Annual Audited Financial Statements, including Independent Auditor's Report, on the Sheboygan Water Utility.
- [11.](#) R. O. No. 6-22-23 by Board of Water Commissioners submitting the Board of Water Commissioners' Report on the Water Utility for the first quarter of 2022.
- [12.](#) R. O. No. 5-22-23 by City Clerk submitting a communication from the Wisconsin Department of Administration indicating that it has reviewed the preliminary plat of Maywood Estates and does not object and certifies it as complying with the requirements of: s. 236.16 and s. 236.20 Wis. Stats.

REPORT OF OFFICERS

- [13.](#) R. O. No. 8-22-23 by City Plan Commission to whom was referred R. O. No. 146-21-22 by City Clerk and Gen. Ord. 43-21-22 by Alderperson Dekker granting Old World Creamery, LLC, its successors and assigns, the privilege of encroaching upon described portions of St. Clair Avenue right of way in the City of Sheboygan for the purpose of creating a concrete approach; recommends filing the R. O. and adopting the Ordinance.
- [14.](#) R. O. No. 4-22-23 by City Clerk submitting a Notice of Circumstances of Injury regarding an incident that occurred on January 7, 2022 between the City of Sheboygan Police Department and Frank Bernard. REFER TO FINANCE AND PERSONNEL COMMITTEE
- [15.](#) R. O. No. 9-22-23 by City Clerk submitting various license applications. REFER TO LICENSING, HEARINGS, AND PUBLIC SAFETY COMMITTEE

RESOLUTIONS

- [16.](#) Res. No. 9-22-23 by Alderpersons Felde and Filicky-Peneski authorizing the appropriate City officials to sign the January 1, 2022-December 31, 2022 Contract between the City of Sheboygan and Sheboygan Professional Police Officers' Supervisory Association. SUSPEND THE RULES AND ADOPT THE RESOLUTION
- [17.](#) Res. No. 10-22-23 by Alderpersons Felde and Filicky-Peneski authorizing the appropriate City officials to sign the January 1, 2022-December 31, 2022 Contract between the City of Sheboygan and Sheboygan Professional Police Officers' Association. SUSPEND THE RULES AND ADOPT THE RESOLUTION
- [18.](#) Res. No. 2-22-23 by Alderpersons Mitchell and Filicky-Peneski authorizing a transfer and establishing an internship program within the Mayor's office budget. REFER TO FINANCE AND PERSONNEL COMMITTEE
- [19.](#) Res. No. 3-22-23 by Alderpersons Felde and Ackley authorizing the appropriate City officials to enter into agreement with the Sheboygan Area School District relative to providing the public school system with school liaison officers from the Sheboygan Police Department. REFER TO LICENSING, HEARINGS, AND PUBLIC SAFETY COMMITTEE
- [20.](#) Res. No. 4-22-23 by Alderpersons Dekker and Perrella authorizing executing an easement for a mini-storm sewer at 2314 W. Koning Drive. REFER TO PUBLIC WORKS COMMITTEE
- [21.](#) Res. No. 5-22-23 by Alderpersons Dekker and Perrella authorizing executing an easement for a mini-storm sewer at 2904 South 21st Street. REFER TO PUBLIC WORKS COMMITTEE
- [22.](#) Res. No. 6-22-23 by Alderpersons Dekker and Perrella authorizing executing an easement for a mini-storm sewer at 2106 Wilson Avenue. REFER TO PUBLIC WORKS COMMITTEE

- 23.** Res. No. 7-22-23 by Alderpersons Mitchell and Filicky-Peneski authorizing the issuance and sale of up to \$39,430,018 Water Utility Revenue Bonds, Series 2022, and providing for other details and covenants with respect thereto. REFER TO FINANCE AND PERSONNEL COMMITTEE
- 24.** Res. No. 8-22-23 by Alderpersons Mitchell and Filicky-Peneski authorizing the appropriate City officials to enter into a new Memorandum of Agreement with the State of Wisconsin Department of Agriculture, Trade and Consumer Protection for provision of weights and measures inspection services. REFER TO FINANCE AND PERSONNEL COMMITTEE
- 25.** Res. No. 11-22-23 by Alderpersons Dekker and Perrella authorizing the appropriate City officials to enter into a contract with Buteyn-Peterson Construction Company, Inc. for the construction of the St. Clair Avenue - 2022 Street Improvements. REFER TO PUBLIC WORKS COMMITTEE
- 26.** Res. No. 12-22-23 by Alderpersons Dekker and Perrella authorizing the appropriate City officials to enter into a contract with LaLonde Contractors, Inc. for the construction of the North Avenue - 2022 Street Improvements. REFER TO PUBLIC WORKS COMMITTEE

CLOSED SESSION

- 27.** MOTION TO CONVENE IN CLOSED SESSION under the exemption provided in Sec. 19.85(1)(e) of the Wis. Stats. for the purpose of deliberating regarding possible development incentives for an affordable housing project located on the northeast corner of Erie Avenue and North 13th Street.

OTHER MATTERS AUTHORIZED BY LAW

ADJOURN MEETING

- 28.** Motion to Adjourn

In compliance with Wisconsin's Open Meetings Law, this agenda was posted in the following locations more than 24 hours prior to the time of the meeting:

*City Hall • Mead Public Library
Sheboygan County Administration Building • City's website*

May 2, 2022

Resignation

Markus Savaglio from his position as District 5 Alderperson effective May 4, 2022.

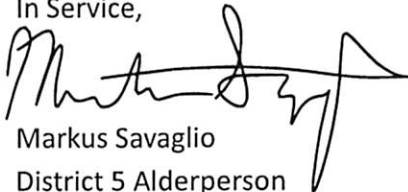
Mr. Mayor and Aldermanic Leadership Team,

It is with great sadness that I must resign from my position as Alderperson of District 5 as of 11:59 PM on May 4th, 2022. I have enjoyed the past few years of serving the residents of Sheboygan, trying to assist them with their issues, and working to build a stronger, more vibrant community every day.

The reason for my departure is the purchase of a new home on Sheboygan's north side that better meets the needs of my growing family, and while I'm going to miss building our community from the inside of government, I will continue my work of making Sheboygan a little better every day through attracting talented individuals to call Sheboygan home, and assisting with their home search and subsequent negotiations to purchase a residence in the county.

It has been a pleasure to serve my community and I look forward to other ways I may be asked to serve.

In Service,

A handwritten signature in black ink, appearing to read 'Markus Savaglio', with a stylized flourish extending from the end.

Markus Savaglio
District 5 Alderperson
City Of Sheboygan



April 28, 2022

HONORABLE MEMBERS OF THE COMMON COUNCIL:

I hereby submit the following appointments for your consideration:

- Lisa Salgado to be considered for appointment to the Mayor's International Committee to fill a vacancy with the term expiring on 04/17/2023.
- Fay Wingrove to be considered for appointment to the Board of Review to fill a vacancy with the term expiring on 04/20/2026.



RYAN SORENSON, MAYOR

MAYOR'S OFFICE

CITY HALL
828 CENTER AVE.
SHEBOYGAN, WI 53081

920-459-3317
www.sheboyganwi.gov


R. O. No. 7 - 22 - 23. By BOARD OF WATER COMMISSIONERS. May 2, 2022.

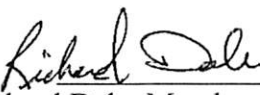
To the Honorable, the Mayor and Common Council:

We are, hereby, submitting a copy of the 2021 Annual Audited Financial Statements, including Independent Auditor's Report, on the Sheboygan Water Utility.

BOARD OF WATER COMMISSIONERS


Gerald R. Van De Kreeke, President


Thomas E. Howe, Secretary


Richard Dale, Member

Attachments

Sheboygan Water Utility

An Enterprise Fund of the City of Sheboygan, Wisconsin

Financial Statements and
Supplementary Information

December 31, 2021 and 2020

	Page
Independent Auditors' Report	1
Required Supplementary Information	
Management's Discussion and Analysis	3
Financial Statements	
Statements of Net Position	9
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	14
Required Supplementary Information	
Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Required Contributions	45
Schedule of Changes in the Total OPEB Liability and Related Ratios - Health Insurance	46
Schedule of Proportionate Share of Net OPEB Liability - Wisconsin Life Insurance Plan and Schedule of Required Contributions	47
Notes to Required Supplementary Information	48

Independent Auditors' Report

To the Utility Commission of
Sheboygan Water Utility

Opinion

We have audited the accompanying financial statements of the Sheboygan Water Utility (Utility), an enterprise fund of the City of Sheboygan, Wisconsin, as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Utility's 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 financial position of the Utility as of December 31, 2021 and 2020 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Utility 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Sheboygan Water Utility enterprise fund and do not purport to and do not, present fairly the financial position of the City of Sheboygan, Wisconsin, as of December 31, 2021 and 2020 and the respective changes in financial position or cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 Utility'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 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, 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 Utility'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Utility'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 required supplementary information, as listed in the table of contents be presented to supplement the 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Tilly US, LLP

Madison, Wisconsin
April 11, 2022

The purpose of this section is to provide users with an objective, easy to read overview of the financial activities of the Sheboygan Water Utility for the years ended December 31, 2021 and 2020. This section should be read in conjunction with the financial statements and the accompanying notes that follow.

Financial Highlights

- The utility's operating income increased from \$1,888,505 in 2020 to \$3,099,042 in 2021.
- The utility's total cash position decreased from \$9,678,420 in 2020 to \$8,963,485 in 2021.
- The utility's unrestricted cash and investment position increased from \$5,680,697 in 2020 to \$6,689,683 in 2021.
- The utility's total net position increased by \$1,688,508 in 2021 to \$48,517,953 from \$46,829,445 in 2020.
- The utility's total assets increased by \$873,648 in 2021 to \$64,199,788 from \$63,326,140 in 2020.
- Total liabilities decreased \$943,351 to \$15,331,513 in 2021 from \$16,274,864 in 2020.

Financial Statements

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

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

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

Financial Analysis of the Utility

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

2021

The Statement of Net Position showed that total net position increased \$1,688,508, an increase of 3.6%. Total assets increased \$873,648 or 1.4%. The increase is due to an increase in pension and other post employment benefit assets. Net capital assets increased by \$1,464,781 to \$52,255,433 in 2021 due to work on the Raw Water Improvement Project. Capital additions were financed with operating income and revenue bond anticipation note. Restricted net position increased to \$1,263,954 due to the increase in net pension asset.

Unaudited Management's Discussion and Analysis
As of and for the Years Ended December 31, 2021 and 2020

2020

The Statement of Net Position showed that total net position increased \$419,758, an increase of 0.9%. Total assets increased \$2,311,347 or 3.8%. The increase is due to an increase in restricted funds for construction. The utility saw a 2.3% increase in net capital assets of \$1,161,104. Capital additions were financed with operating income and revenue bonds. Restricted net position increased to \$894,234 due to the increase in net pension asset.

STATEMENTS OF NET POSITION
As of December 31, 2021, 2020 and 2019

	2021	2020	2019
Unrestricted current and other assets	\$ 9,385,116	\$ 8,506,618	\$ 10,142,482
Restricted assets	2,559,239	4,028,870	1,242,762
Capital assets	52,255,433	50,790,652	49,629,548
Total Assets	64,199,788	63,326,140	61,014,792
Deferred outflows related to pensions	1,402,233	1,038,866	1,262,190
Current liabilities payable			
from unrestricted assets	1,574,647	1,514,738	2,098,510
Liabilities payable from restricted assets	1,114,462	1,091,308	1,066,793
Non-current liabilities	12,642,404	13,668,818	12,050,584
Total Liabilities	15,331,513	16,274,864	15,215,887
Deferred inflows related to pensions	1,752,555	1,260,697	651,408
Net investment in capital assets	40,823,686	40,122,886	38,634,349
Restricted net position	1,263,954	894,234	481,598
Unrestricted net position	6,430,313	5,812,325	7,293,740
Total Net Position	\$ 48,517,953	\$ 46,829,445	\$ 46,409,687

Unaudited Management's Discussion and Analysis
As of and for the Years Ended December 31, 2021 and 2020

The following Statements of Revenues, Expenditures and Changes in Net Position helps to further explain the nature of the increase in net position during 2021 and 2020.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2021, 2020 and 2019

	2021	2020	2019
Operating revenues	\$ 9,702,393	\$ 8,695,191	\$ 8,902,438
Non-operating revenues	251,739	124,728	337,471
Total Revenues	9,954,132	8,819,919	9,239,909
Operating & maintenance expenses	6,603,351	6,806,686	6,626,959
Non-operating expenses	498,237	414,914	566,958
Total Expenses	7,101,588	7,221,600	7,193,917
Income before transfers	2,852,544	1,598,319	2,045,992
Capital contributions	-	-	1,541,118
Interfund transfers (tax equivalent)	(1,164,036)	(1,178,561)	(1,124,163)
Change in Net Position	1,688,508	419,758	2,462,947
Beginning Net Position	46,829,445	46,409,687	43,946,740
Ending Total Net Position	\$ 48,517,953	\$ 46,829,445	\$ 46,409,687

2021

The Statement of Revenues, Expenses and Changes in Net Position shows operating revenues have increased \$1,007,202 from \$8,695,191 in 2020, to \$9,702,393 in 2021. The increase is due to an increase in water usage in 2021. Operating and maintenance expenses decreased in 2021 by \$203,335, due to the completion of the Georgia Avenue standpipe painting project completed in 2020. Non-operating revenues increased in 2021 by \$127,011 due to an increase in DNR and other grant revenue. Non-operating expenses increased \$83,323, due to an increase in costs related to the Lead Water Service Lateral Replacement Program.

2020

The Statement of Revenues, Expenses and Changes in Net Position shows operating revenues have decreased \$207,247 from \$8,902,438 in 2019, to \$8,695,191 in 2020. Water usage decreased in 2020, mainly among industrial customers, due to the COVID-19 pandemic. Operating and maintenance expenses increased by \$179,727, due to costs related to bond anticipation note financing for the Raw Water Improvement Project, rate study, and completion of the water system capacity and master planning studies. In 2020, non-operating revenues decreased by \$212,743 due to a decrease in interest on investments and grant revenue. Non-operating expenses decreased \$152,044, due to a decrease in funding for the Lead Water Service Lateral Replacement Program.

Capital Assets and Debt Administration**Capital Assets** (see Note 4.)

At the end of 2021 the water utility had \$74.64 million in invested property, plant and equipment in service, an increase of \$167,701 over 2020. The utility completed SCADA upgrades in the treatment plant at Park Avenue, replaced a filter turbidity unit, shoreline revetment and rehabilitation along the outside of plant, completed the AWIA Risk and Resiliency Study, and west basin flocculation repair. Water main replacement projects continued in 2021. The utility installed 18.55' of 4" water main at S. 10th Street and Illinois Avenue; 155.07' of 6" water main at various locations; 192.3' of 8" water main at various locations; 27.5' of 10" water main at one location; and 3,129.62' of 12" water main at various locations. The largest water main project in 2021 was located at Georgia Avenue. In addition, 30 hydrants were installed at these and other various locations in the City.

At the end of 2020 the water utility had \$74.47 million in invested property, plant and equipment in service, an increase of \$2,126,892 over 2019. Due to the COVID-19 pandemic, most large capital projects were postponed to 2021. The utility was able to complete a rooftop solar project at Park Avenue, install a clearwell slide gate, update and remodel the meter shop, and add a thermo scientific lab refrigerator. Water main replacement projects continued in 2020. The utility installed 8.3' of 4" water main at S. 10th Street and Illinois Avenue; 242.07' of 6" water main at various locations; 975.5' of 8" water main at various locations; 5157.14' of 12" water main at various locations; and 44' of 16" water main at various locations. The largest water main projects in 2020 were located at Geele Avenue, Illinois Avenue, Saemann Avenue, Maryland Avenue, and Niagara Avenue. In addition, 24 hydrants were installed at these and other various locations in the City.

Debt (see Note 5.)

On December 31, 2021, the Sheboygan Water Utility had outstanding debt of \$12,490,132. This includes 2004 revenue bonds issued for a Safe Drinking Water Loan, balance of \$413,650, to be retired in 2023; on May 1, 2013, a \$3 million revenue bond was issued with a 3.5% interest rate, and a balance of \$2,015,000 to be retired on 2033; on May 1, 2015, a Safe Drinking Water Loan was issued with a balance of \$2,241,481 and interest rate of 1.65%, to be retired 2035; on April 20, 2016, refunding revenue bonds were issued with an interest rate of 2% and balance of \$935,000, to be retired 2025; and on March 1, 2018, refunding revenue bonds were issued with an interest rate of 3.5% and balance of \$3,785,000, to be retired 2033. These bond proceeds funded the construction of the two reservoirs at Erie Avenue and I-43, and the booster pump station completed in 2008. The 2013 revenue bond funded a backwash storage reservoir at Park Avenue, and funded various projects into 2015. The Safe Drinking Water Loan issued on May 1, 2015 funded a UV disinfection system at the treatment plant. The revenue bond issued on April 20, 2016 refunded the 2005 revenue bond issue. The revenue bond issued on March 1, 2018 refunded the 2007 revenue bond issue and funded the construction of an elevated storage tank at Horizon Drive. The utility issued a \$3,100,000 Bond Anticipation Note (BAN) on May 18, 2020 at 1.25% interest maturing on May 1, 2024 for interim financing of engineering and design costs for the Raw Water Improvement Project. The remaining balance on the \$302,000 debt for the Unfunded Retirement obligation is \$134,042.

**Unaudited Management's Discussion and Analysis
As of and for the Years Ended December 31, 2021 and 2020**

On December 31, 2020, the Sheboygan Water Utility had outstanding debt of \$13,524,996. This includes 2004 revenue bonds issued for a Safe Drinking Water Loan, balance of \$612,210, to be retired in 2023; on May 1, 2013, a \$3 million revenue bond was issued with a 3.5% interest rate, and a balance of \$2,155,000 to be retired on 2033; on May 1, 2015, a Safe Drinking Water Loan was issued with a balance of \$2,382,786 and interest rate of 1.65%, to be retired 2035; on April 20, 2016, refunding revenue bonds were issued with an interest rate of 2% and balance of \$1,170,000, to be retired 2025; and on March 1, 2018, refunding revenue bonds were issued with an interest rate of 3.5% and balance of \$4,105,000, to be retired 2033. These bond proceeds funded the construction of the two reservoirs at Erie Avenue and I-43, and the booster pump station completed in 2008. The 2013 revenue bond funded a backwash storage reservoir at Park Avenue, and funded various projects into 2015. The Safe Drinking Water Loan issued on May 1, 2015 funded a UV disinfection system at the treatment plant. The revenue bond issued on April 20, 2016 refunded the 2005 revenue bond issue. The revenue bond issued on March 1, 2018 refunded the 2007 revenue bond issue and funded the construction of an elevated storage tank at Horizon Drive. The utility issued a \$3,100,000 Bond Anticipation Note (BAN) on May 18, 2020 at 1.25% interest maturing on May 1, 2024 for interim financing of engineering and design costs for the Raw Water Improvement Project. The remaining balance on the \$302,000 debt for the Unfunded Retirement obligation is \$152,173.

Economic Factors and Next Year's Budgets and Rates

In 2021, Sheboygan Water Utility saw minimal impact by the COVID-19 pandemic compared to 2020. The Utility moved quickly to implement measures protecting core operations. Face coverings and other protective measures were put into place. Many customers shifted to electronic and remote pay options. Departments were isolated from each other, and remote work continued for staff who were able to work from home. All office, plant, and field operations continued without interruption. There was very little impact to revenue or expense in 2021 due to the COVID-19 pandemic. The Wisconsin Public Service Commission lifted a moratorium on disconnections and late fees for non-payment of water utility bills in 2021.

Sheboygan Water Utility submitted an application for a rate increase to the Public Service Commission of Wisconsin July 2021 to provide for a 4.9% rate of return. Since the last rate increase, operating revenues have decreased slightly, while the utility has experienced increasing operating costs and has continued to invest in system replacements and improvements. A rate increase is expected to be implemented early 2022.

Sheboygan Water Utility received a total of \$192,538 in grants from the DNR to fund the replacement of lead service laterals in 2021. The Utility has applied to the DNR for grants in the amount of \$405,000 for replacement of lead service laterals in 2022.

Sheboygan Water Utility has submitted an application to the DNR for Safe Drinking Water Loan Program funds in the amount of \$38,860,865 from the Wisconsin Department of Natural Resources for the construction of the Raw Water Improvement Project. \$3,100,000 will be used to retire the BAN interim financing. This loan is expected to close by June 30, 2022. American Rescue Plan Act funds will be used to offset a portion of the cost for this project.

Sheboygan Water Utility has a total capital improvement budget of \$19,777,000 in 2022. Large projects include \$18,000,000 for design and engineering of the raw water improvement project; \$110,000 for pumpstation generator replacement; \$1,200,000 for water main replacement; \$100,000 for hydrant and valve replacement; and \$162,000 for meter and radio read unit replacement; and fuel efficient utility truck.

CONTACTING THE UTILITY FINANCIAL MANAGEMENT

This financial report is designed to provide a general easy to read overview of the finances of the Sheboygan Water Utility and to provide an overview of plans for the future. If you have any questions about this report or would like to obtain additional information, please feel free to contact the Board of Water Commissioners at 72 Park Avenue Sheboygan, WI 53081-2958 or telephone (920) 459-3800, Opt. 2.

Sheboygan Water Utility

Item 10.

Statements of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and investments	\$ 6,689,683	\$ 5,680,697
Restricted assets:		
Redemption account	545,998	539,531
Customer accounts receivable	1,233,705	1,474,472
Other accounts receivable	251,233	73,656
Due from municipality	240,440	269,518
Materials and supplies	223,046	277,191
Prepayments	<u>28,385</u>	<u>76,495</u>
Total current assets	<u>9,212,490</u>	<u>8,391,560</u>
Noncurrent Assets		
Restricted assets:		
Reserve account	668,414	688,824
Construction account	575,065	2,389,368
Net pension asset	769,762	411,147
Other assets:		
Health insurance reserve	380,000	380,000
LSL revolving loan	104,325	-
Special assessments receivable	234,299	274,589
Capital assets:		
Plant in service	74,640,596	74,472,895
Accumulated depreciation	(26,219,555)	(24,691,820)
Construction work in progress	<u>3,834,392</u>	<u>1,009,577</u>
Total noncurrent assets	<u>54,987,298</u>	<u>54,934,580</u>
Total assets	<u>64,199,788</u>	<u>63,326,140</u>
Deferred Outflows of Resources		
Deferred outflows related to other post employment benefits	100,617	84,214
Deferred outflows related to pension	<u>1,301,616</u>	<u>954,652</u>
Total deferred outflows of resources	<u>1,402,233</u>	<u>1,038,866</u>

See notes to financial statements

Sheboygan Water Utility

Item 10.

Statements of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 140,027	\$ 79,746
Accrued wages	66,098	50,671
Accrued taxes due to municipality	1,197,490	1,215,296
Accrued interest	5,578	5,301
Accrued vacation leave	133,345	126,441
Current portion of accrued sick leave	12,890	19,152
Current portion of advance from municipality	19,219	18,131
Current liabilities payable from restricted assets:		
Current portion of revenue bonds	1,062,656	1,034,864
Accrued interest	<u>51,806</u>	<u>56,444</u>
Total current liabilities	<u>2,689,109</u>	<u>2,606,046</u>
Noncurrent Liabilities		
Advance from municipality	114,823	134,042
Revenue bonds and BANS	11,427,476	12,490,132
Unamortized premium and discount	185,094	220,963
Accrued sick leave	557,971	498,795
Total other post employment benefits liability, health insurance	211,557	213,320
Net other post employment benefits liability, life insurance	<u>145,483</u>	<u>111,566</u>
Total noncurrent liabilities	<u>12,642,404</u>	<u>13,668,818</u>
Total liabilities	<u>15,331,513</u>	<u>16,274,864</u>
Deferred Inflows of Resources		
Deferred inflows related to pension	1,725,585	1,232,175
Deferred inflows related to other post employment benefits	<u>26,970</u>	<u>28,522</u>
Total deferred inflows of resources	<u>1,752,555</u>	<u>1,260,697</u>
Net Position		
Net investment in capital assets	40,823,686	40,122,885
Restricted for:		
Debt service	494,192	483,087
Pension	769,762	411,147
Unrestricted	<u>6,430,313</u>	<u>5,812,326</u>
Total net position	<u>\$ 48,517,953</u>	<u>\$ 46,829,445</u>

See notes to financial statements

Sheboygan Water Utility

Item 10.

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Sales of water	\$ 9,540,076	\$ 8,526,930
Other	<u>162,317</u>	<u>168,261</u>
Total operating revenues	<u>9,702,393</u>	<u>8,695,191</u>
Operating Expenses		
Operation and maintenance	5,043,806	5,169,308
Depreciation	<u>1,559,545</u>	<u>1,637,378</u>
Total operating expenses	<u>6,603,351</u>	<u>6,806,686</u>
Operating Income	<u>3,099,042</u>	<u>1,888,505</u>
Nonoperating Revenues (Expenses)		
Investment income	15,082	44,283
Grant revenue	200,788	45,825
Grant expense	(176,303)	(45,825)
Interest expense	(321,934)	(334,614)
Amortization of premium and discount	35,869	34,620
Bond issuance costs	<u>-</u>	<u>(34,475)</u>
Total nonoperating revenues (expenses)	<u>(246,498)</u>	<u>(290,186)</u>
Income before transfers	2,852,544	1,598,319
Transfers, Tax Equivalent	<u>(1,164,036)</u>	<u>(1,178,561)</u>
Change in net position	1,688,508	419,758
Net Position, Beginning	<u>46,829,445</u>	<u>46,409,687</u>
Net Position, Ending	<u><u>\$ 48,517,953</u></u>	<u><u>\$ 46,829,445</u></u>

See notes to financial statements

Sheboygan Water Utility

Item 10.

Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Received from customers	\$ 10,009,788	\$ 8,377,680
Paid to suppliers for goods and services	(3,162,853)	(3,879,046)
Paid to employees for operating payroll	<u>(1,792,843)</u>	<u>(1,720,376)</u>
Net cash flows from operating activities	<u>5,054,092</u>	<u>2,778,258</u>
Cash Flows From Noncapital Financing Activities		
Paid to municipality for tax equivalent	(1,181,842)	(1,123,748)
Collections of assessments for customer owned laterals	40,290	70,827
Debt retired for pension liability	(18,131)	(17,079)
Interest paid for pension liability	(6,696)	(7,193)
Grant revenue received	200,788	45,825
Paid for expenses for grant-related projects	<u>(176,303)</u>	<u>(45,825)</u>
Net cash flows from noncapital financing activities	<u>(1,141,894)</u>	<u>(1,077,193)</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(3,287,752)	(3,211,234)
Debt retired	(1,034,864)	(1,012,256)
Interest paid	(319,599)	(325,908)
Proceeds from debt issue, net of discount paid	-	3,091,010
Debt issuance costs	<u>-</u>	<u>(34,475)</u>
Net cash flows from capital and related financing activities	<u>(4,642,215)</u>	<u>(1,492,863)</u>
Cash Flows From Investing Activities		
Interest income	<u>15,082</u>	<u>44,283</u>
Net change in cash and cash equivalents	(714,935)	252,485
Cash and Cash Equivalents, Beginning	<u>9,678,420</u>	<u>9,425,935</u>
Cash and Cash Equivalents, Ending	<u>\$ 8,963,485</u>	<u>\$ 9,678,420</u>
Noncash Capital and Related Financing Activities		
Amortization of premium and discount	<u>\$ 35,869</u>	<u>\$ 34,620</u>
Construction related accounts payable	<u>\$ 23,790</u>	<u>\$ 17,833</u>

See notes to financial statements

Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities		
Operating income	\$ 3,099,042	\$ 1,888,505
Noncash items in operating income:		
Depreciation	1,559,545	1,637,378
Depreciation charged to clearing and other utilities	269,383	224,716
Changes in assets and liabilities:		
Customer accounts receivable	240,767	(458,313)
Other accounts receivable	(177,577)	16,897
Due from municipality	29,078	(65,582)
Materials and supplies	54,145	(6,360)
Prepayments	48,110	(44,081)
Pension related deferrals and liabilities	(212,169)	20,586
Accounts payable	54,324	(520,648)
Accrued vacation and sick leave	75,245	87,109
Other postemployment retirement benefit deferrals and liabilities	14,199	(1,949)
	<u>\$ 5,054,092</u>	<u>\$ 2,778,258</u>
Net cash flows from operating activities		
Reconciliation of Cash and Cash Equivalents to Statements of Net Position Accounts		
Cash and investments	\$ 6,689,683	\$ 5,680,697
Redemption account	545,998	539,531
Reserve account	668,414	688,824
Construction account	575,065	2,389,368
Health Insurance Reserve	380,000	380,000
LSL Revolving Loan	104,325	-
	<u>\$ 8,963,485</u>	<u>\$ 9,678,420</u>
Cash and cash equivalents		

1. Summary of Significant Accounting Policies

The financial statements of Sheboygan Water Utility (the Utility) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GABS) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the Utility are described below.

Reporting Entity

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position**Deposits and Investments**

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

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

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

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 2. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

Receivables/Payables

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

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

Materials and Supplies

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

Restricted Assets

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

Health Insurance Reserve

The Utility has elected to internally designate \$380,000 cash in 2021 and 2020 for the purposes of use towards funding future health insurance obligations. These funds are not legally restricted and could be used for other purposes if the need arose. Use of the funds is at the board's discretion.

LSL Revolving Loan

The Utility has elected to internally designate \$104,325 cash in 2021 for the purpose of lending funds to customers to replace lead service laterals. These funds are not legally restricted and could be used for other purposes if the need arose. Use of the funds is at the board's discretion.

Special Assessments Receivable

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

Capital Assets

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

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)**Health Insurance**

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

Life Insurance

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

Deferred Outflow of Resources

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

Accrued Vacation and Sick Leave

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

Long-Term Obligations

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

Deferred Inflows of Resources

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

Revenues and Expenses

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

Charges for Services

The majority of billings are rendered and recorded quarterly based on metered usage, with monthly billing rendered to high usage customers in the industrial, commercial, public authority and wholesale classes. The Utility does accrue revenues beyond billing dates. Unbilled revenue of \$352,190 and \$353,143 were accrued as of December 31, 2021 and 2020, respectively.

Current water rates were approved by the PSCW effective October 1, 2020.

Capital Contributions

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

Interfund Transfers

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

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GABS) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GABS Statements No. 14 and No. 84, and a supersession of GABS Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

2. Deposits and Investments

	Carrying Value as of December 31,		Risks
	2021	2020	
Deposit	\$ 8,962,735	\$ 8,629,157	Custodial Credit
Certificates of Deposits	-	1,048,513	Custodial Credit
Petty Cash	750	750	
Total	<u>\$ 8,963,485</u>	<u>\$ 9,678,420</u>	

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

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

In addition, the Utility has collateral or depository insurance agreements in the amount of \$20,000,000 at December 31, 2021 and 2020.

Custodial Credit Risk

Deposits

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

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

3. Restricted Assets

Restricted Accounts

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

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Construction - Used to report debt proceeds restricted for use in construction.

Net Pension Asset

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

Restricted Net Position

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

	<u>2021</u>	<u>2020</u>
Restricted assets:		
Redemption account	\$ 545,998	\$ 539,531
Reserve account	668,414	688,824
Construction account	575,065	2,389,368
Net pension asset	<u>769,762</u>	<u>411,147</u>
Total restricted assets	<u>2,559,239</u>	<u>4,028,870</u>
Less restricted assets not funded by revenues		
Reserve from borrowing	(668,414)	(688,824)
Construction account	<u>(575,065)</u>	<u>(2,389,368)</u>
Total restricted assets not funded by revenues	<u>(1,243,479)</u>	<u>(3,078,192)</u>
Current liabilities payable from restricted assets	<u>(51,806)</u>	<u>(56,444)</u>
Total restricted net position as calculated	<u><u>\$ 1,263,954</u></u>	<u><u>\$ 894,234</u></u>

The purpose of the restricted net position is as follows:

	<u>2021</u>	<u>2020</u>
Debt service	\$ 494,192	\$ 483,087
Pension	<u>769,762</u>	<u>411,147</u>
Total restricted net position	<u><u>\$ 1,263,954</u></u>	<u><u>\$ 894,234</u></u>

4. Changes in Capital Assets

A summary of changes in Water capital assets for 2021 follows:

	Balance 1/1/21	Increases	Decreases	Balance 12/31/21
Capital assets, not being depreciated:				
Land and land rights	\$ 375,238	\$ -	\$ -	\$ 375,238
Capital assets being depreciated:				
Source of supply	627,615	-	-	627,615
Pumping	6,352,523	9,719	-	6,362,242
Water treatment	13,484,199	172,213	207,700	13,448,712
Transmission and distribution	50,757,927	205,763	56,506	50,907,184
General	2,875,393	87,196	42,984	2,919,605
Total capital assets being depreciated	74,097,657	474,891	307,190	74,265,358
Total capital assets	74,472,895	474,891	307,190	74,640,596
Less accumulated depreciation:				
Source of supply	(464,567)	(10,669)	-	(475,236)
Pumping	(3,568,260)	(219,291)	-	(3,787,551)
Water treatment	(5,912,911)	(486,978)	207,700	(6,192,189)
Transmission and distribution	(12,627,349)	(934,341)	56,506	(13,505,184)
General	(2,118,733)	(183,646)	42,984	(2,259,395)
Total accumulated depreciation	(24,691,820)	(1,834,925)	307,190	(26,219,555)
Construction in progress	1,009,577	3,177,536	352,721	3,834,392
Net capital assets	\$ 50,790,652			\$ 52,255,433

A summary of changes in Water capital assets for 2020 follows:

	Balance 1/1/20	Increases	Decreases	Balance 12/31/20
Capital assets, not being depreciated:				
Land and land rights	\$ 375,238	\$ -	\$ -	\$ 375,238
Capital assets being depreciated:				
Source of supply	627,615	-	-	627,615
Pumping	6,273,784	78,739	-	6,352,523
Water treatment	13,395,887	88,312	-	13,484,199
Transmission and distribution	48,857,718	2,008,391	108,182	50,757,927
General	2,815,761	147,183	87,551	2,875,393
Total capital assets being depreciated	71,970,765	2,322,625	195,733	74,097,657
Total capital assets	72,346,003	2,322,625	195,733	74,472,895
Less accumulated depreciation:				
Source of supply	(453,896)	(10,671)	-	(464,567)
Pumping	(3,350,858)	(217,402)	-	(3,568,260)
Water treatment	(5,421,115)	(491,796)	-	(5,912,911)
Transmission and distribution	(11,816,419)	(919,112)	108,182	(12,627,349)
General	(1,983,171)	(223,113)	87,551	(2,118,733)
Total accumulated depreciation	(23,025,459)	(1,862,094)	195,733	(24,691,820)
Construction in progress	309,005	3,342,543	2,641,971	1,009,577
Net capital assets	\$ 49,629,549			\$ 50,790,652

5. Long-Term Obligations

Revenue Debt , Water

The following bonds have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/21
3/10/04	Plant Expansion	5/1/23	2.75 %	\$ 3,152,000	\$ 413,651 *
4/3/13	Plant Expansion	5/1/33	2.00	3,000,000	2,015,000
5/13/15	UV Disinfecting Project	5/1/35	1.65	2,990,520	2,241,481 *
4/20/16	Revenue Refunding	4/20/25	1.00	2,115,000	935,000
5/1/18	Revenue Refunding	5/1/33	3.00	4,705,000	3,785,000

* The debt noted is directly placed with a third party.

Revenue bonds debt service requirements to maturity follows:

Years Ending December 31,	Bonds		Direct Placement		Total
	Principal	Interest	Principal	Interest	
2022	\$ 715,000	\$ 207,994	\$ 347,656	\$ 44,370	\$ 1,315,020
2023	735,000	185,969	355,637	36,292	1,312,898
2024	735,000	163,234	148,415	30,981	1,077,630
2025	750,000	140,269	150,864	28,512	1,069,645
2026	555,000	118,162	153,354	26,002	852,518
2027-2031	2,305,000	330,219	805,569	90,890	3,531,678
2032-2035	940,000	30,894	693,637	23,124	1,687,655
Total	<u>\$ 6,735,000</u>	<u>\$ 1,176,741</u>	<u>\$ 2,655,132</u>	<u>\$ 280,171</u>	<u>\$ 10,847,044</u>

All Utility revenues net of specified operating expenses net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2021 and 2020 were \$1,379,290 and \$1,362,436, respectively. Total customer net revenues as defined for the same periods were \$4,698,154 and \$3,570,166. Annual principal and interest payments are expected to require 17 percent of net revenues on average.

Advances from Other Funds of the Municipality

Other funds of the municipality have advanced the following to the Utility:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/21
1/30/08	Unfunded retirement obligation	3/15/27	2 %	\$ 302,304	\$ 134,042

Advances from other funds of the municipality debt service requirements to maturity follows:

Years Ending December 31,	Principal	Interest	Total
2022	\$ 19,219	\$ 7,046	\$ 26,265
2023	20,372	7,152	27,524
2024	21,579	4,534	26,113
2025	22,890	3,644	26,534
2026	24,263	2,564	26,827
2027	25,719	1,350	27,069
Total	<u>\$ 134,042</u>	<u>\$ 26,290</u>	<u>\$ 160,332</u>

Revenue Bond Anticipation Notes (BANs)

Revenue BANs issued by the Utility is as follows:

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount 12/31/21</u>
5/18/20	Revenue BAN	5/1/24	1.5 %	\$ 3,100,000	\$ 3,100,000 *

* The debt noted is considered a direct borrowing or direct placement.

Revenue BANs debt service requirements to maturity follows:

<u>Years Ending December 31,</u>	<u>Revenue BAN</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 38,750	\$ 38,750
2023	-	38,750	38,750
2024	3,100,000	19,735	3,119,735
Total	<u>\$ 3,100,000</u>	<u>\$ 97,235</u>	<u>\$ 3,197,235</u>

Long-Term Obligations Summary , Water

Long-term obligation activity for the year ended December 31, 2021 is as follows:

	<u>1/1/21 Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/21 Balance</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 10,424,996	\$ -	\$ 1,034,864	\$ 9,390,132	\$ 1,062,656
Advance from municipality	152,173	-	18,131	134,042	19,219
Revenue BANs	3,100,000	-	-	3,100,000	-
Accrued sick leave	517,947	65,804	12,890	570,861	12,890
Unamortized premium	220,963	-	35,869	185,094	-
Total other post employment benefits liability, health insurance	213,320	-	1,763	211,557	-
Net other post employment benefits liability, life insurance	111,566	33,917	-	145,483	-
Total	<u>\$ 14,740,965</u>	<u>\$ 99,721</u>	<u>\$ 1,103,517</u>	<u>\$ 13,737,169</u>	<u>\$ 1,094,765</u>

Long-term obligation activity for the year ended December 31, 2020 is as follows:

	1/1/20 Balance	Additions	Reductions	12/31/20 Balance	Due Within One Year
Revenue bonds	\$ 11,437,252	\$ -	\$ 1,012,256	\$ 10,424,996	\$ 1,034,864
Advance from municipality	169,252	-	17,079	152,173	18,131
Revenue BANs	-	3,100,000	-	3,100,000	-
Accrued sick leave	481,127	55,972	19,152	517,947	19,152
Unamortized premium	264,573	-	43,610	220,963	-
Net pension liability	452,290	-	452,290	-	-
Total other post employment benefits liability, health insurance	203,536	9,784	-	213,320	-
Net other post employment benefits liability, life insurance	71,889	39,677	-	111,566	-
Total	\$ 13,079,919	\$ 3,205,433	\$ 1,544,387	\$ 14,740,965	\$ 1,072,147

Bond Covenant Disclosures

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

Insurance

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

The Utility is covered under the following insurance policies at December 31, 2021:

Type	Coverage	Expiration
<i>Automotive Liability</i>		
General Liability	\$ 2,000,000	7/1/22
Automobile Liability	1,000,000	7/1/22
Contractors Equipment	652,161	7/1/22
<i>Crime, Theft/Forgery</i>		
Position Bond (Employee Dishonestly)	\$ 250,000	7/1/22
Forgery/Alteration	250,000	7/1/22
Extra Expense	250,000	7/1/22
Employee Benefits	2,000,000	7/1/22
Public Officials Liability	1,000,000	7/1/22
Theft of Money and Securities	25,000	7/1/22
<i>Property</i>		
Buildings	\$ 64,335,500	7/1/22
Flood	10,000,000	7/1/22
Earthquake	10,000,000	7/1/22

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.2 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2021 and 2020 as follows:

	2021	2020
Operating revenues	\$ 9,702,393	\$ 8,695,191
Investment income	15,082	44,283
Miscellaneous nonoperating income	200,788	45,825
Less miscellaneous nonoperating expense	(176,303)	(45,825)
Less operation and maintenance expenses	(5,043,806)	(5,169,308)
Net defined earnings	<u>\$ 4,698,154</u>	<u>\$ 3,570,166</u>
Minimum Required Earnings per Resolution:		
Annual debt service, principal	\$ 1,034,864	\$ 1,012,256
Annual debt service, interest	319,599	325,908
Subtotal	1,354,463	1,338,164
Coverage factor	<u>1.20</u>	<u>1.20</u>
Minimum required earnings	<u>\$ 1,625,356</u>	<u>\$ 1,605,797</u>
Actual debt coverage	<u>3.47</u>	<u>2.67</u>

Number of Customers and Billed Volumes, Water

The Utility has the following number of customers and billed volumes for 2021 and 2020:

	Customers		Sales (000 gals)	
	2021	2020	2021	2020
Residential	17,076	17,054	743,579	750,506
Multifamily residential	296	296	124,441	122,186
Commercial	1,302	1,304	226,611	212,468
Industrial	156	155	2,303,684	2,141,580
Public authority	123	120	49,703	44,884
Interdepartmental	2	2	688,836	615,187
Total	<u>18,955</u>	<u>18,931</u>	<u>4,136,854</u>	<u>3,886,811</u>

6. Net Position

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

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

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

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

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

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

	2021	2020
Construction in progress	\$ 3,834,392	\$ 1,009,577
Plant in service	74,640,596	74,472,895
Accumulated depreciation	<u>(26,219,555)</u>	<u>(24,691,820)</u>
Subtotal	<u>52,255,433</u>	<u>50,790,652</u>
Less capital related debt:		
Current portion of capital related long-term debt	1,062,656	1,034,864
Long-term portion of capital related long-term debt	11,427,476	12,490,132
Unamortized debt premium	<u>185,094</u>	<u>220,963</u>
Subtotal	<u>12,675,226</u>	<u>13,745,959</u>
Add unspent debt proceeds:		
Construction funds	575,065	2,389,368
Reserve from borrowing	<u>668,414</u>	<u>688,824</u>
Subtotal	<u>1,243,479</u>	<u>3,078,192</u>
Total net investment in capital assets	<u><u>\$ 40,823,686</u></u>	<u><u>\$ 40,122,885</u></u>

7. Employees Retirement System

General Information About the Pension Plan

Plan description: The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Benefits provided: Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest earnings period. 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 age 55 (50 for protective occupation employees) 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.

The WRS also provides death and disability benefits for employees.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	(1.2)%	11.0%
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

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

The WRS recognized \$140,585 and \$138,123 in contributions from the Utility during the current and prior reporting periods, respectively.

Contribution rates for the plan year reported as of December 31, 2021 and December 31, 2020 are:

	2021		2020	
	Employee	Employer	Employee	Employer
General (including Executives and Elected Officials)	6.75 %	6.75 %	6.55 %	6.55 %
Protective with Social Security	6.75 %	11.65 %	6.55 %	10.55 %
Protective without Social Security	6.75 %	16.25 %	6.55 %	14.95 %

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

At December 31, 2021, the Utility reported a liability (asset) of \$(769,762) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net pension liability (asset) was based on the Utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Utility's proportion was 0.012329677 percent, which was a decrease of 0.00042120 percent from its proportion measured as of December 31, 2019.

At December 31, 2020, the Utility reported a liability (asset) of \$(411,147) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net pension liability (asset) was based on the Utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Utility's proportion was 0.01275088 percent, which was an increase of 0.00003784 percent from its proportion measured as of December 31, 2018.

For the years ended December 31, 2021 and 2020, the Utility recognized pension expense of \$(212,169) and \$20,586, respectively.

At December 31, 2021, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,138,810	\$ (252,345)
Changes in assumption	18,475	-
Net differences between project and actual earnings on pension plan	-	(1,471,796)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,056	(1,444)
Employer contributions subsequent to the measurement date	143,275	-
Total	<u>\$ 1,301,616</u>	<u>\$(1,725,585)</u>

At December 31, 2020, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 780,451	\$ (390,563)
Changes in assumption	32,039	-
Net differences between project and actual earnings on pension plan	-	(840,530)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,577	(1,082)
Employer contributions subsequent to the measurement date	<u>140,585</u>	<u>-</u>
Total	<u><u>\$ 954,652</u></u>	<u><u>\$(1,232,175)</u></u>

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

	2021
Year ended December 31,	
2022	\$ (145,677)
2023	(39,538)
2024	(268,417)
2025	(113,612)
2026	-
Thereafter	<u>-</u>
Total	<u><u>\$ (567,244)</u></u>

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

	2021	2020
Actuarial valuation date	December 31, 2019	December 31, 2018
Measurement date of net pension liability (asset)	December 31, 2020	December 31, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Fair Value	Fair Value
Long-term expected rate of return	7.0%	7.0%
Discount rate	7.0%	7.0%
Salary increases		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table	Wisconsin 2018 Mortality Table
Post-retirement adjustments *	1.9%	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation. The total pension liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

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 as of December 31, 2021 are summarized in the following table:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51 %	7.2 %	4.7 %
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.4 percent.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2020 are summarized in the following table:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

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

Single discount rate: A single discount rate of 7.00 percent was used to measure the total pension liability as of December 31, 2021 and December 31, 2020. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.0 percent and 2.75 percent, in 2021 and 2020 respectively. (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 and 2019, respectively. 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 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The sensitivity analysis as of December 31, 2021 follows:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Utility's proportionate share of the net position liability (asset)	\$ 732,707	\$ (769,762)	\$ (1,873,314)

The sensitivity analysis as of December 31, 2020 follows:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Utility's proportionate share of the net position liability (asset)	\$ 1,058,776	\$ (411,147)	\$ (1,510,083)

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

8. Other Postemployment Benefits

General Information About the OPEB Plan

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

Total OPEB Liability

At December 31, 2021, the Utility's total OPEB liability of \$211,557 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date. At December 31, 2020, the Utility's total OPEB liability of \$213,320 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2021	2020
Inflation	The assumed salary inflation of 3.0% per year is added to merit increases to get the total assumed increase in salary.	The assumed salary inflation of 3.0% per year is added to merit increases to get the total assumed increase in salary.
Salary increases	6.50% decreasing by 0.10% per year down to 5.0%, and level thereafter	6.50% decreasing by 0.10% per year down to 5.0%, and level thereafter

The discount rate was based on all years of projected payments discounted at a municipal bond rate of 2.25 percent..

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period 2015-17.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2019	<u>\$ 203,536</u>
Changes for the year:	
Service cost	10,029
Interest	7,886
Differences between expected and actual experience	4,395
Changes in assumptions or other inputs	10,279
Benefit payments	<u>(22,805)</u>
Net changes	<u>9,784</u>
Balances at December 31, 2020	<u>213,320</u>
Changes for the year:	
Service cost	13,754
Interest	5,674
Changes in assumptions or other inputs	6,555
Benefit payments	<u>(27,746)</u>
Net changes	<u>(1,763)</u>
Balances at December 31, 2021	<u><u>\$ 211,557</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.75 percent in 2019 to 2.25 percent in 2020.

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

As of December 31, 2021:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	(1.25%)	(2.25%)	(3.25%)
Total OPEB liability	\$ 225,095	\$ 211,557	\$ 198,605

As of December 31, 2020:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	(1.75%)	(2.75%)	(3.75%)
Total OPEB liability	\$ 225,940	\$ 213,320	\$ 201,254

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Utility, as well as what the Utility's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

As of December 31, 2021:

	<u>1% Decrease (5.5% Decreasing to 4.0%)</u>	<u>Healthcare Cost Trend Rates (6.5% Decreasing to 5.0%)</u>	<u>1% Increase (7.5% Decreasing to 6.0%)</u>
Total OPEB liability	\$ 189,063	\$ 211,557	\$ 238,355

As of December 31, 2020:

	<u>1% Decrease (5.5% Decreasing to 4.0%)</u>	<u>Healthcare Cost Trend Rates (6.5% Decreasing to 5.0%)</u>	<u>1% Increase (7.5% Decreasing to 6.0%)</u>
Total OPEB liability	\$ 194,682	\$ 213,320	\$ 235,334

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

For the year ended December 31, 2021 and 2020, the Utility recognized OPEB expense of \$1,121 and \$(8,919), respectively. At December 31, 2021 and 2020, the Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,515	\$ -	\$ 3,955	\$ -
Changes of assumptions or other inputs	14,122	(3,892)	9,251	(4,448)
Employer contributions subsequent to the measurement date	19,875	-	27,746	-
Total	<u>\$ 37,512</u>	<u>\$ (3,892)</u>	<u>\$ 40,952</u>	<u>\$ (4,448)</u>

Deferred outflows related to OPEB resulting from the employer's contributions subsequent to the measurement date reported in the table above will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended December 31,	
2022	\$ 1,568
2023	1,568
2024	1,568
2025	1,568
2026	1,568
Thereafter	5,905

Local Retiree Life Insurance Fund (LRLIF)

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

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

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

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

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

Contribution rates for the plan year reported as of December 31, 2021 and 2020 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement 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 plan year are as listed below:

Life Insurance Member Contribution Rates For the Plan Year		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
34-39	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 70 receive a waiver-of-premium benefit.

The LRLIF recognized \$527 and \$474 in contributions from the employer during the current and prior reporting periods, respectively.

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

At December 31, 2021, the Utility reported a liability of \$145,483 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net OPEB liability was based on the Utility's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the Utility's proportion was 0.00026448 percent, which was an decrease of 0.00002479 percent from its proportion measured as of December 31, 2019.

At December 31, 2020, the Utility reported a liability of \$111,566 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net OPEB liability was based on the Utility's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Utility's proportion was 0.00026200 percent, which was an decrease of 0.00001660 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2021 and 2020, the Utility recognized OPEB expense of \$13,078 and \$4,662, respectively.

At December 31, 2021 and 2020, the Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (7,100)	\$ -	\$ (4,998)
Net differences between projected and actual earnings on OPEB plan investments	2,184	-	2,105	-
Changes in assumptions	57,899	(10,372)	41,157	(12,272)
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,022	(5,606)	-	(6,804)
Total	<u>\$ 63,105</u>	<u>\$ (23,078)</u>	<u>\$ 43,262</u>	<u>\$ (24,074)</u>

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

<u>Years Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2022	\$ 7,271
2023	7,038
2024	6,799
2025	6,173
2026	8,348
Thereafter	4,398

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

	2021	2020
Actuarial Valuation Date:	January 1, 2020	January 1, 2019
Measurement Date of Net OPEB Liability	December 31, 2020	December 31, 2019
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.12%	2.74%
Long-Term Expected Rate of Return:	4.25%	4.25%
Discount Rate:	2.25%	2.87%
Salary Increases:		
Inflation	3.00%	3.00%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. 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. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 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.

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2020**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Credit Bonds	Barclays Credit	50%	1.47%
US Mortgages	Barclays MBS	50	0.82
Inflation			2.20
Long-Term Expected Rate of Return			4.25

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2019**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	5	2.90
US Mortgages	Barclays MBS	50	1.53
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25 percent and 2.20 percent, respectively. 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.

Single discount rate: A single discount rate was used to measure the total OPEB liability (2.25 percent for 2021 and 2.87 percent for 2020). The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74 percent as of December 31, 2019 to 2.12 percent as of December 31, 2020. 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.

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

As of December 31, 2021:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
The Utility's proportionate share of the net OPEB liability	\$ 197,898	\$ 145,483	\$ 105,842

As of December 31, 2020:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
The Utility's proportionate share of the net OPEB liability	\$ 154,054	\$ 111,566	\$ 79,241

At December 31, 2021, the Utility reported a payable to the OPEB plan of \$0, which represents contractually required contributions outstanding as of the end of the year.

9. Commitments and Contingencies

Claims and Judgments

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

Grants

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

10. Risk Management

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

11. Significant Customers**Water Utility**

The Utility has one significant customer who was responsible for 23 percent and 24 percent of operating revenues in 2021 and 2020, respectively.

12. Subsequent Events

The Utility evaluated subsequent events through April 11, 2022, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

Rate Adjustment

New water rates were approved by the Public Service Commission of Wisconsin on January 20, 2022. The water rate increase is effective for billings after February 1, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Sheboygan Water Utility

Item 10.

Schedule of Proportionate Share of the Net Pension Asset (Liability)

Wisconsin Retirement System

Year Ended December 31, 2021

(Unaudited)

WRS Fiscal Year End Date	Utility's Proportion of the Net Pension Liability (Asset)	Utility's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.01092910%	\$ (268,255)	\$ 1,844,785	14.54%	102.74%
12/31/15	0.01233200%	200,307	1,974,984	10.14%	98.20%
12/31/16	0.01295300%	106,815	1,892,944	5.64%	99.12%
12/31/17	0.01303701%	(387,084)	1,874,682	20.65%	102.93%
12/31/18	0.01271302%	452,290	1,930,859	23.42%	96.45%
12/31/19	0.01275088%	(411,147)	2,108,745	19.50%	102.96%
12/31/20	0.01232968%	(769,762)	2,082,741	36.96%	105.26%

Schedule of Employer Contributions

Wisconsin Retirement System

Year Ended December 31, 2021

Utility's Fiscal Year End Date	Utility's Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 134,299	\$ 134,299	\$ -	\$ 1,973,928	6.80%
12/31/16	124,934	124,934	-	1,892,944	6.60%
12/31/17	127,478	127,478	-	1,874,682	6.80%
12/31/18	129,368	129,368	-	1,930,859	6.70%
12/31/19	138,123	138,123	-	2,108,745	6.55%
12/31/20	140,585	140,585	-	2,082,741	6.75%
12/31/21	143,275	143,275	-	2,122,595	6.75%

See notes to required supplementary information

Sheboygan Water Utility

Item 10.

Schedule of Changes in the Total OPEB Liability and Related Ratios, Health Insurance
 December 31, 2021
 (Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 13,754	\$ 10,029	\$ 10,894	\$ 10,894
Interest	5,674	7,886	7,203	7,184
Differences between expected and actual experience	-	4,395	-	-
Changes in assumptions	6,555	10,279	(5,560)	-
Benefit payments	<u>(27,746)</u>	<u>(22,805)</u>	<u>(18,721)</u>	<u>(16,356)</u>
Net Change in Total OPEB Liability	(1,763)	9,784	(6,184)	1,722
Total OPEB Liability, Beginning	<u>213,320</u>	<u>203,536</u>	<u>209,720</u>	<u>207,998</u>
Total OPEB Liability, Ending	<u>\$ 211,557</u>	<u>\$ 213,320</u>	<u>\$ 203,536</u>	<u>\$ 209,720</u>
Covered-employee payroll	\$ 1,986,982	\$ 1,986,982	\$ 1,874,682	\$ 1,877,409
Net OPEB liability as a percentage of covered-employee payroll	10.65%	10.74%	10.86%	11.17%

Notes to Schedule:

The Utility implemented GASB Statements No. 75 in 2018.

Sheboygan Water Utility

Item 10.

Schedule of Employer's Proportionate Share of the Net OPEB Liability (Asset)

Wisconsin Life Insurance Plan

Year Ended December 31, 2021

(Unaudited)

ETF Fiscal Year Ending	Utility's Proportion of the Net OPEB Liability (Asset)	Utility's Proportionate Share of the Net OPEB Liability (Asset)	Utility Covered Payroll	Utility's Proportionate Share of the Net OPEB Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/17	0.02980410%	\$ 89,668	\$ 1,874,682	4.78%	44.81%
12/31/18	0.02878610%	71,889	1,930,859	3.72%	48.69%
12/31/19	0.02620030%	111,566	2,108,745	5.29%	37.58%
12/31/20	0.02644792%	145,483	2,082,741	6.99%	37.58%

Schedule of Employer Contributions

Wisconsin Life Insurance Plan

Year Ended December 31, 2021

Utility's Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	\$ 937	\$ 937	\$ -	\$ 1,930,859	0.05%
12/31/19	942	942	-	2,108,745	0.04%
12/31/20	932	932	-	2,082,741	0.04%
12/31/21	527	527	-	2,122,595	0.02%

See notes to required supplementary information

Wisconsin Retirement System

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

Changes of assumptions. No significant changes in assumptions were noted from the prior year

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Health Insurance

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

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

Changes in Assumptions. The discount rate has changed from 2.75 percent to 2.25 percent

Local Retiree Life Insurance Fund

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

Changes in Assumptions. The discount rate has changed from 2.87 percent to 2.25 percent.

II

R. O. No. 6 - 22 - 23. By BOARD OF WATER COMMISSIONERS. May 2, 2022.

We, hereby, submit the Board of Water Commissioners' Report on the Water Utility for the first quarter of 2022.

The water pumpage increased 2.29% from the same period in 2021. 1,079,805,000 gallons were pumped in the first quarter 2022, compared to 1,055,591,000 in 2021.

Year to date Operating Revenue at the end of the first quarter 2022 increased by \$200,114 compared to year to date 2021. The net income for the Utility, as of the end of March, 2022 is \$231,989. Details are shown on the attached Income Statement and Balance Sheet.

Construction-Maintenance:

Construction-maintenance work by the Water Utility during the first quarter of 2022:

Number of feet of 4 inch water main installed	0.0
Number of feet of 6 inch hydrant lead installed	0.0
Number of feet of 6 inch water main installed	19.5
Number of feet of 8 inch water main installed	78.5
Number of feet of 10 inch water main installed	0.0
Number of feet of 12 inch water main installed	1717.3
Number of feet of 16 inch water main installed	0.0
Number of feet of 20 inch water main installed	0.0
Number of feet of 24 inch water main installed	0.0
Number of feet of water main abandoned or removed.....	1813.0
Number of water main breaks repaired	23
Number of fire hydrants installed, replaced, relocated, removed, flushed, or major repairs made....	0
Number of water main valves installed, repaired, removed, or replaced	3
Number of water service connections installed	9

Details are shown on the attached spreadsheets.

Other Utility Business:

The Water Utility opened bids for its Raw Water Improvements (RWI) project, with CD Smith Construction as the apparent low bidder at \$41,289,000. The Utility submitted all necessary documents to WI DOA and WI DNR to fulfill requirements for its safe drinking water loan for the project. In addition, RWI was selected by Senator Baldwin for a direct appropriation of \$2.0M, which will help to offset debt service on the project. The project remains on track for construction to begin in May/June 2022.

BOARD OF WATER COMMISSIONERS



Gerald R. Van De Kreeke, President



Thomas E. Howe, Secretary



Richard Dale, Member

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



Sheboygan Water Utility
Quarterly Financial Statement March 31, 2022
Balance Sheet Including Net Income

<u>Account #</u>	<u>Debit Balance</u>	<u>Credit Balance</u>
Utility Plant in Service	74,688,686	
107 Construction Work in Progress	3,897,826	
111 Accumulated Provision for Depreciation of Utility Plant		26,678,412
125 Bond Redemption Fund	668,414	
129 Appropriated Funds Invested for Plant Expansion & Payables	489,829	
126 Depreciation Fund		
128 Other Special Funds - Net Pension Asset	769,762	
128 Other Special Funds - Health Ins		
130 Other Special Funds - Deferred Outflow Pension	1,402,233	
135 Working Funds	750	
136 Temporary Cash Investments	8,135,381	
142 Customer Accounts Receivable	1,055,887	
143 Grant Receivable & Other Accounts Receivable	245,525	
145 Receivables from Municipality	359,595	
154 Materials and Supplies	233,192	
163 Stores Expense		
165 Prepayments	32,010	
171 Interest and Dividends Receivable		
181 Misc Deferred Debits		
184 Transportation Expense		
200 Capital Paid in by Municipality		1,640,701
216 Unappropriated Earned Surplus		46,827,026
221 Long Term Debt Bonds		12,490,132
223 Advances from Municipality		114,823
232 Accounts Payable		
235 Customer Deposits	1,876	
236 Taxes Accrued		898,118
237 Interest Payable on Bonds		126,023
242 Misc. Current & Accrued Liab		27,583
251 Bond Premium		176,127
253 Misc Deferred Credits		43,938
263 Other Special Funds Employee Pensions		
265 Accrued Employee Benefits		616,498
425 Amoritization of Pre 2003 Depreciation		
280 Net Pension Liability		357,040
285 Deferred Inflow - Pension		1,752,555
Utility Net Income		231,989
	<u>91,980,965</u>	<u>91,980,965</u>



Sheboygan Water Utility
Sheboygan, Wisconsin
Income Statement - March 31, 2022

<u>Account #</u>	<u>Utility Operating Income</u>	1-Jan-22 to 31-Mar-22	1-Jan-21 to 31-Mar-21	Increase or (Decrease)
400	Sales Revenue	2,047,421	1,851,859	195,563
474	Other Water Revenue	15,649	11,097	4,552
	Total Operating Revenue	2,063,070	1,862,956	200,114
401	Operating Expenses	868,938	1,005,581	(136,643)
402	Maintenance Expenses	219,331	182,371	36,960
403	Depreciation Expenses	410,322	407,888	2,434
402	Taxes	277,533	283,196	(5,663)
	Total Operating Expenses	1,776,123	1,879,034	(102,911)
	Utility Operating Income	286,947	(16,078)	303,025
	<u>Other Income & Expense</u>			
415	Non-operating Grant Revenue	-	-	0
416	Non-operating Grant Expense	-	-	0
419	Interest Earned on Investments	2,348	6,059	(3,711)
421	Contributions	3,128	-	3,128
425	Misc Amortization	6,283	6,283	0
427	Bond Interest Expense	(75,685)	(82,168)	6,483
428	Other Expense	-	-	0
429	Bond Premium	8,967	8,967	0
	Net Income	231,989	(76,936)	308,925



Distribution System -- 1st Quarter - January, February, & March 2022

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

Location	Date Installed	Size ("), Jt	Installed By	Type
Indiana Ave ~121' NW of St. 24th St.	3/21/2022	8" MJ	Buteyn-Peterson	G (vert)
Indiana Ave ~723' East of S.Taylor Dr.	3/29/2022	6" MJ	Buteyn-Peterson	G (vert)
Indiana Ave ~720' East of S.Taylor Dr.	3/29/2022	12" MJ	Buteyn-Peterson	G (vert)

Total Valves Installed = 3

Street Valves and Hydrant Valves Removed

Location	Installed	Abandoned	Type
----------	-----------	-----------	------

Total Valves Removed = 0

Street Valves and Hydrant Valves Abandoned

Location	Installed	Abandoned
----------	-----------	-----------

Total Valves Abandoned = 0

Street Valves and Hydrant Valves Maintained

Location	Maintained	Size	By
----------	------------	------	----

Total Valves Maintained = 0

Hydrants Installed (including water main projects and others)

Location	Installed	Tr Size	Valve
----------	-----------	---------	-------

Total Hydrants Installed = 0

Hydrants Removed (including water main projects and others)

Location	Installed	Removed	Hyd Valve?
----------	-----------	---------	------------

Total Hydrants Removed = 0

Hydrants Abandoned (including water main projects and others)

Location	Installed	Abandoned	Tr Size	Hyd Valve?
----------	-----------	-----------	---------	------------

Total Hydrants Abandoned = 0

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

Location	Installed	Maintained
----------	-----------	------------

Total Hydrants Maintained/Moved = 0

Water Main Breaks

Location	Date	Size
----------	------	------

N.28th St & Michigan Ave	1/7/2022	6"
712 Whitcomb	1/10/2022	6"
2529 S. 15th St.	1/10/2022	6"
N.8th St & Center Ave	1/10/2022	8"
1216 Wilson Ave	1/11/2022	10"
1025 N. 26th St.	1/20/2022	6"
2025 N. 12th St.	1/24/2022	6"
Wilson Ave and Wedemeyer St.	1/25/2022	10"
2805 Henry St	1/26/2022	6"
Ashland Ave and Plymouth Ln	1/26/2022	8'
1019 N. Water St.	1/27/2022	6"
1835 N. 19th St.	1/28/2022	6"
1713 Wisconsin Ave	1/28/2022	6"
2125 S. Memorial Place	2/12/2022	6"
N.28th St. and Michigan Ave	2/15/2022	6"
S.22nd St 150' North of Georgia Ave	2/17/2022	12"
N. 6th St. and Michigan Ave	2/17/2022	6"
S.12th St and Washington Ave	2/22/2022	10"
S.19th St. south of Union Ave	2/23/2022	6"
1736 Marvin Ct	2/24/2022	6"
N.12th St. + Superior Ave	2/25/2022	6"
Washington Ave at Maple Cir	3/2/2022	4"
Erie Ave at N.21st.	3/9/2022	30"

Number of Water Main Breaks=23

SUMMARY

Number of feet of 4 inch water main installed	0.0	water main
Number of feet of 6 inch hydrant lead installed	0.0	
Number of feet of 6 inch water main installed	19.5	
Number of feet of 8 inch water main installed	78.5	
Number of feet of 12 inch water main installed	1717.3	
Number of feet of 16 inch water main installed	0.0	
Number of feet of 20 inch water main installed	0.0	
Number of feet of 24 inch water main installed	0.0	
Number of feet of water main abandoned or removed	1,813	
Number of water main breaks repaired	23	
Number of hydrants installed	0	hydrants
Number of hydrants removed or abandoned	0	
Number of hydrants maintained or moved	0	
Number of street valves installed	3	valves
Number of hydrant valves installed	0	
Number of street valves removed or abandoned	0	
Number of hydrant valves removed or abandoned	0	
Number of valves maintained	0	
Number of water connections installed	9	



WATER MAIN AND APPURTENANCES INSTALLATION -- 1st Quarter - January, February, & March 2022

Water Main Projects (including installation or abandonment of more than 3' of pipe by utility or contractors)

Location: 6" Water Main	Installed	New Valves	New Hyd.	New Hyd Valves	Aband. Valves	Aband. Hyd.	Remove Hyd.	Size Installed	Feet Installed	New Hyd Lead	Size Aband.	Feet. Aband.	Feet. Rem.	By
Marvin Ct and Sauk Trail Rd	1/18/2022	0	0	0	0	0	0	6	19.5	0	6" CIP	20	0	Ute.
Totals:		0	0	0	0	0	0		19.5	0		20	0	

Location: 8" Water Main	Installed	New Valves	New Hyd.	New Hyd Valves	Aband. Valves	Aband. Hyd.	Remove Hyd.	Size "	Feet Installed	New Hyd Lead	Size Aband.	Feet. Aband.	Feet. Rem.	By
Indiana Ave 8" Going east from	3/22/2022	0	0	0	0	0	0	8	7	0	6" CIP	0	0	Buteyn-Peterson
Totals:		0	0	0	0	0	0		78.5	0		78	0	

Location: 12" Water Main	Installed	New Valves	New Hyd.	New Hyd Valves	Aband. Valves	Aband. Hyd.	Remove Hyd.	Size "	Feet Installed	New Hyd Lead	Size Aband.	Feet. Aband.	Feet. Rem.	By
Indiana Ave and north west of S.24th St.	3/21/2022	1	0	0	0	0	0	12	15.3	0	6" CIP	15	0	Buteyn-Peterson
Indiana Ave East of Taylor Dr	3/21/2022	1	0	0	0	0	0	12	113	0	8" CIP	113	0	Buteyn-Peterson
Indiana Ave along Lower Falls Rd	3/22/2022	0	0	0	0	0	0	12	221	0	8" CIP	219	0	Buteyn-Peterson
Indiana Ave and Intersection of S. Taylor Dr	3/24/2022	0	0	0	0	0	0	12	320	0	8" CIP	320	0	H&H
indiana Ave along Lower Falls Rd	3/25/2022	0	0	0	0	0	0	12	77	0	8" CIP	77	0	Buteyn-Peterson
Indiana Ave (S.24th St to S.Taylor Dr)	3/28/2022	0	0	0	0	0	0	12	200	0	8" CIP	200	0	Buteyn-Peterson
Indiana Ave (S.24th St to S.Taylor Dr)	3/29/2022	2	0	0	0	0	0	12	271	0	8" CIP	271	0	Buteyn-Peterson
Indiana Ave (S.24th St to S.Taylor Dr)	3/30/2022	0	0	0	0	0	0	12	500	0	8" CIP	500	0	Buteyn-Peterson
Totals:		4	0	0	0	0	0	96	1717.3	0	0	1715	0	

HIGH LIFT DELIVERY		QUARTERLY REPORT		2022
I. FIRST QUARTER		Jan - Feb - Mar		
		GALLONS	COST \$	\$/MG
	2021	1,055,591,000	\$181,125.65	\$171.59
	2022	1,079,805,000	\$233,346.76	\$216.10
	Percent Difference	2.29%	28.83%	25.94%
II. SECOND QUARTER		Apr - May - Jun		
		GALLONS	COST \$	\$/MG
	2021	1,115,306,000	\$168,613.25	\$151.18
	2022	0	\$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!
III. THIRD QUARTER		Jul - Aug - Sep		
		GALLONS	COST \$	\$/MG
	2021	1,275,383,000	\$191,262.23	\$149.96
	2022	0	\$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!
IV. FOURTH QUARTER		Oct - Nov - Dec		
		GALLONS	COST \$	\$/MG
	2021	1,076,367,000	\$179,773.03	\$167.02
	2022	0	\$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!
YEAR TO DATE : 2022				
		GALLONS	COST \$	\$/MG
ELECTRICITY CHEMICALS NATURAL GAS	2021	4,522,647,000	\$720,774.16	\$159.37
	2022	1,079,805,000	\$233,346.76	\$216.10
	Percent Difference	-76.12%	-67.63%	35.60%
YEAR TO DATE : 2022				
SLUDGE DISPOSAL to WWTP		GALLONS	COST \$	
	2021	4,225,349	\$45,410.11	
	2022	1,027,730	\$9,237.78	
STORM WATER CHARGES	2022	NA	\$0.00	
HIGH LIFT SYSTEM DELIVERY :				
	Maximum Pumpage Day	13,987,000	February 17, 2022	
	Minimum Pumpage Day	7,587,000	January 1, 2022	

	MG	\$	\$/MG
2021	4,522,647,000	\$720,774.16	\$159.37
2022	1,079,805,000	\$233,346.76	\$216.10

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

II
R. O. No. 5 - 22 - 23. By CITY CLERK. May 2, 2022.

Submitting a communication from the Wisconsin Department of Administration indicating that it has reviewed the preliminary plat of Maywood Estates and does not object and certifies it as complying with the requirements of: s. 236.16, and s. 236.20 Wis. Stats.

CITY CLERK



TONY EVERS
GOVERNOR
KATHY BLUMENFELD
SECRETARY
Plat Review
PO Box 1645, Madison WI 53701
E-mail: plat.review@wi.gov
<https://doa.wi.gov/platreview>

April 07, 2022

Craig Rusch
WAGNER EXCAVATING, INC
3437 PAINE AVE, SHEBOYGAN WI 53081
crusch@wagnerexcavatinginc.com

FILE NO. 121318
MAYWOOD ESTATES
Town of Sheboygan, Sheboygan County

Dear Craig Rusch:

You have submitted the preliminary plat of MAYWOOD ESTATES for review. The Department of Administration does not object to this preliminary plat and certifies it as complying with the requirements of: s. 236.16, and s. 236.20 Wis. Stats.

DEPARTMENT OF ADMINISTRATION COMMENTS:

We have examined and find that, with the exceptions noted below, this preliminary plat appears to conform with the applicable layout requirements of ss. 236.16 and 236.20, Wis. Stats.

S. 236.16 (4) This section requires, in part, that If the subdivider has any interest in (unplattable) land between the subdivision and the water's edge of a navigable stream, these lands must be included in the subdivision. As shown on the preliminary plat the stream is navigable, the owner does have interest in the lands between the (proposed) subdivision and the stream, and the lands are unplattable. To comply with this section the subdivision boundary must include these lands (i.e. the boundary must extend to the edge or thread of the stream).

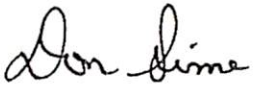
Note: The preliminary plat should be signed, dated and sealed by the registrant that prepared or directed the preparation of the plat.

Local government units, during their review of the plat, will resolve, when applicable, that the plat:

- complies with local ordinances;
- conforms with areawide water quality management plans, if sewerage;
- complies with Wisconsin shoreland management regulations;
- resolves possible problems with storm water runoff;
- fits the design to the topography;
- displays well designed lot and street layout;
- includes service or is serviceable by necessary utilities.

If there are any questions concerning this review or preparation and submittal of the final plat, please contact our office, using the information at the top.

Sincerely,



Don Sime, PLS
Plat Review
Email: plat.review@wi.gov

cc: Owner
Clerk, Town of Sheboygan
Sheboygan County Planning Agency
City of Sheboygan

PLAT RECEIVED FROM SURVEYOR ON 03/14/2022; REVIEWED ON 04/07/2022

PRELIMINARY PLAT MAYWOOD ESTATES

LOCATED IN THE EAST 1/2 OF THE NE 1/4 OF THE SE 1/4
SECTION 8, T19N, R23E,
TOWN OF SHEBOYGAN,
SHEBOYGAN COUNTY, WISCONSIN

CURRENT ZONING: R-2 ONE AND TWO FAMILY RESIDENCE DISTRICT

TOTAL PLAT AREA: 57,863 SF (13.146 AC.)



PLAT LOCATION MAP
SECTION 8, T19N, R23E
SHEBOYGAN COUNTY
SCALE 1"=1500'

NOTES

RESIDENTIAL LOTS SHOWN VARY IN SIZE FROM 0.54 TO 0.77 ACRES MEETING MINIMUM TOWN AND STATE REQUIREMENTS.

BUILDING SETBACKS WILL MEET THE MINIMUM REQUIREMENTS OF R-2 ZONING WHICH IS 50' REAR YARD, 10' SIDE YARD, AND 3' STREET.

COUNTY SHORELAND SETBACK IS SHOWN ON THE PLAT.

LOTS 6-10 WILL REQUIRE A PERMIT FOR SHORELAND ZONING FROM THE SHEBOYGAN COUNTY PLANNING AND CONSERVATION DEPARTMENT PRIOR TO STARTING ANY GRADING WORK OR HOME CONSTRUCTION.

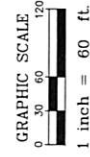
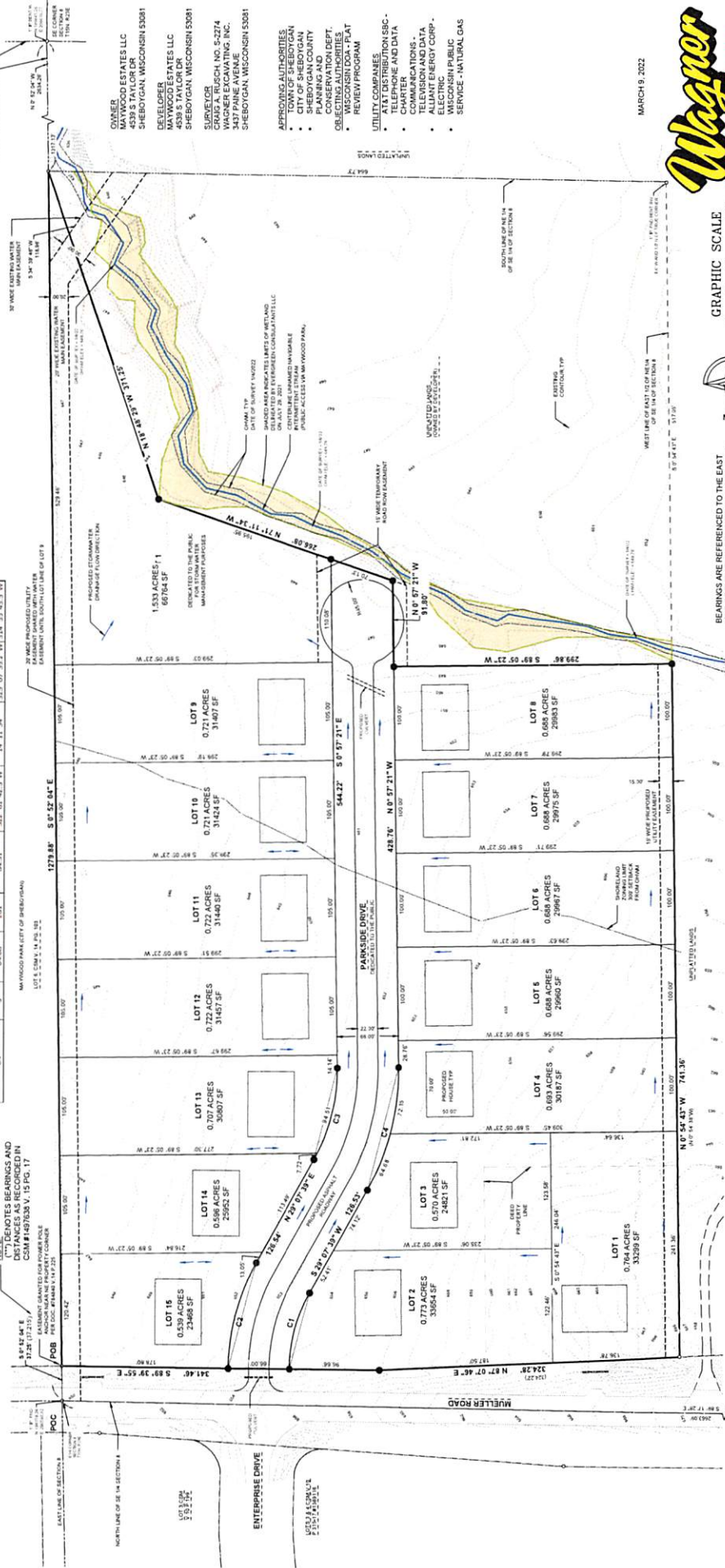
ALL DRIVEWAY CULVERTS WILL BE SIZED TO TOWN OF SHEBOYGAN STANDARDS UNLESS APPROVED OTHERWISE BY TOWN ENGINEER.

1" IRON PIPES TO BE PLACED ALONG PROPOSED MEANDER LINE AND ALL REMAINING UNMARKED LOT CORNERS UPON COMPLETION OF CONSTRUCTION AND GRADING WORK.

CURVE NUMBER	LOT	ARC LENGTH	RADIUS	CHORD BEARING	CENTRAL ANGLE	TANGENT IN	TANGENT OUT
C1	85.63	170	84.53	N24°45'52.2"E	28°47'38"	N29°07'39.2"E	N07°30'05.1"E
C2	118.60	236	117.35	S54°45'52.2"W	28°47'38"	S29°07'39.2"W	S07°30'05.1"W
C3	102.23	206	101.06	S54°00'31.0"W	30°02'15"	S29°07'39.2"W	S07°34'02.3"W
C3	14	7.72	195	N27°59'32.3"E	2°16'08"	N29°07'39.2"E	N07°34'02.3"E
C3	13	94.51	195	N27°59'32.3"E	2°16'08"	N29°07'39.2"E	N07°34'02.3"E
C4	136.81	263	136.22	N34°06'11.0"E	30°02'15"	N29°07'39.2"E	N07°34'02.3"E
C4	4	77.15	263	S7°00'21.0"W	15°52'45"	S14°55'45.5"W	S07°34'02.3"W
C4	3	64.68	263	S27°01'42.3"W	14°11'34"	S29°07'39.2"W	S14°55'45.5"W

NOTE: DISTANCES AS RECORDED IN CSM #149738 V. 15 PG. 17
EASEMENT GRANTED FOR POWER POLE PER DEC. PERMITS #17-221

MAYWOOD PARK CITY OF SHEBOYGAN
LOT 5, TOWN, 14, 2, 3, 21



BEARINGS ARE REFERENCED TO THE EAST LINE OF THE SE 1/4 OF SECTION 8, T19N, R23E, SHEBOYGAN COUNTY COORDINATE SYSTEM

Wagner
EXCAVATING
3437 PINE AVENUE SHEBOYGAN, WI
(920) 658-0082

MARCH 9, 2022

Item 12.

II

R. O. No. 8 - 22 - 23. By CITY PLAN COMMISSION. May 2, 2022.

Your commission to whom was referred R. O. No. 146-21-22 by City Clerk Gen. Ord. No. 43-21-22 by Alderperson Dekker granting Old World Creamery, LLC, its successors and assigns, the privilege of encroaching upon described portions of St. Clair Avenue right of way in the City of Sheboygan for the purpose of creating a concrete approach; recommends filing the R. O. and adopting the Ordinance.

CITY PLAN COMMISSION

Gen. Ord. No. 43 - 21 - 22. By Alderperson Dekker. April 18, 2022.

AN ORDINANCE granting Old World Creamery, LLC, its successors and assigns, the privilege of encroaching upon described portions of St. Clair Avenue right of way in the City of Sheboygan for the purpose of creating a concrete approach.

THE COMMON COUNCIL OF THE CITY OF SHEBOYGAN DO ORDAIN AS FOLLOWS:

Section 1. Subject to the terms and conditions contained herein, Old World Creamery, LLC, its successors and assigns, is hereby granted the privilege of encroaching upon part of Block 84 of the original plat, part of the NE 1/4 of Section 22, T15N, R23E, City of Sheboygan, Sheboygan County, Wisconsin; and further described as follows:

BEGINNING AT THE NE CORNER OF BLOCK 84 OF THE ORIGINAL PLAT;
THENCE THE FOLLOWING BEARINGS AND DISTANCES:
N89°34'51"W 77.96 FEET ALONG THE NORTH LINE OF BLOCK 84;
THENCE N00°25'09"E 1.50 FEET; THENCE N83°57'16"E 81.21 FEET;
THENCE S00°32'20"W 10.64 FEET; THENCE N89°34'51"W 2.71 FEET
TO THE POINT OF BEGINNING AND CONTAINING 490 SF (0.011 ACRES)
OF LAND.

for the purpose of creating a concrete approach in accordance with the sketch attached hereto and made a part hereof.

Section 2. The privilege as granted above is granted only on the condition that by the acceptance of the privilege, the said Old World Creamery, LLC, its successors and assigns:

a. Shall become primarily responsible and liable for all and any damage to persons or property caused by and arising from the grant and exercise of such privilege.

b. Shall remove the encroachment allowed herein within ten (10) days after notice so to remove given by the State of Wisconsin or the City of Sheboygan; in the event of the failure so to remove, the said Old World Creamery, LLC, its successors and assigns: shall pay the costs of removal by the State of Wisconsin or the City of Sheboygan, waiving all claim or claims for damages resulting from such removal, whether the removal is done by the said Old World Creamery, LLC, its successors and assigns, or by the State of Wisconsin or by the City of Sheboygan.

c. Shall pay such compensation to the City of Sheboygan for the grant of this privilege as may be determined by a board consisting of the Mayor, the Director of Public Works and the City Attorney; the compensation shall be paid into the General Fund.

d. Shall make such construction and/or alterations and maintain the same subject to the approval of the City Building Inspector and Director of Public Works, and shall waive the right to contest in any manner the validity of this ordinance or the amount of compensation charged.

Section 3. The provisions of §66.045(1)(2) of the Wisconsin Statutes are incorporated herein by reference to all intents and purposes as if set out fully.

Section 4. The City Clerk is authorized and directed to record a certified copy of this ordinance in the office of the Register of Deeds for Sheboygan County, Wisconsin, the costs thereof to be charged to the General Fund.

Section 5. This ordinance shall take effect and be in full force from and after its passage and publication and upon payment of the consideration to be determined hereunder, provided, however, that in the event of failure to exercise the privilege herein granted and the payment of such consideration within six (6) months from the effective date hereof, then and in that event such privilege shall be rendered null and void.



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

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor



I, CRAIG A. RUSCH, WISCONSIN
REGISTERED LAND SURVEYOR NO. S
DO HEREBY CERTIFY THAT THIS SUR
IS CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

II
R. O. No. 146 - 21 - 22. By CITY CLERK. April 18, 2022.

Submitting a communication from Steve Knaus requesting an encroachment for a concrete approach on St. Clair right of way (Old World Creamery, LLC).

City Clerk

CITY CLERK



April 1, 2022

Encroachment Request

Transmission: hand deliver

City Clerk
Attn: Meredith DeBruin
City Hall
828 Center Avenue, Suite 103
Sheboygan, Wisconsin 53081

Subject: Encroachment Request
Old World Creamery
1606 Erie Avenue
Sheboygan, Wisconsin

Dear City of Sheboygan Common Council:

Old World Creamery LLC is requesting a concrete encroachment acceptance from the City of Sheboygan Common Council. Old World Creamery is expanding with a building addition. The addition requires that the existing truck scale be relocated. To keep the relocated truck scale within the property boundary, the proposed concrete approach to the truck scale has to be wide enough to allow for the turning radius of the semi tractor and trailer. This creates a concrete encroachment within the St. Clair Avenue right of way, that is shown on the attached exhibit.

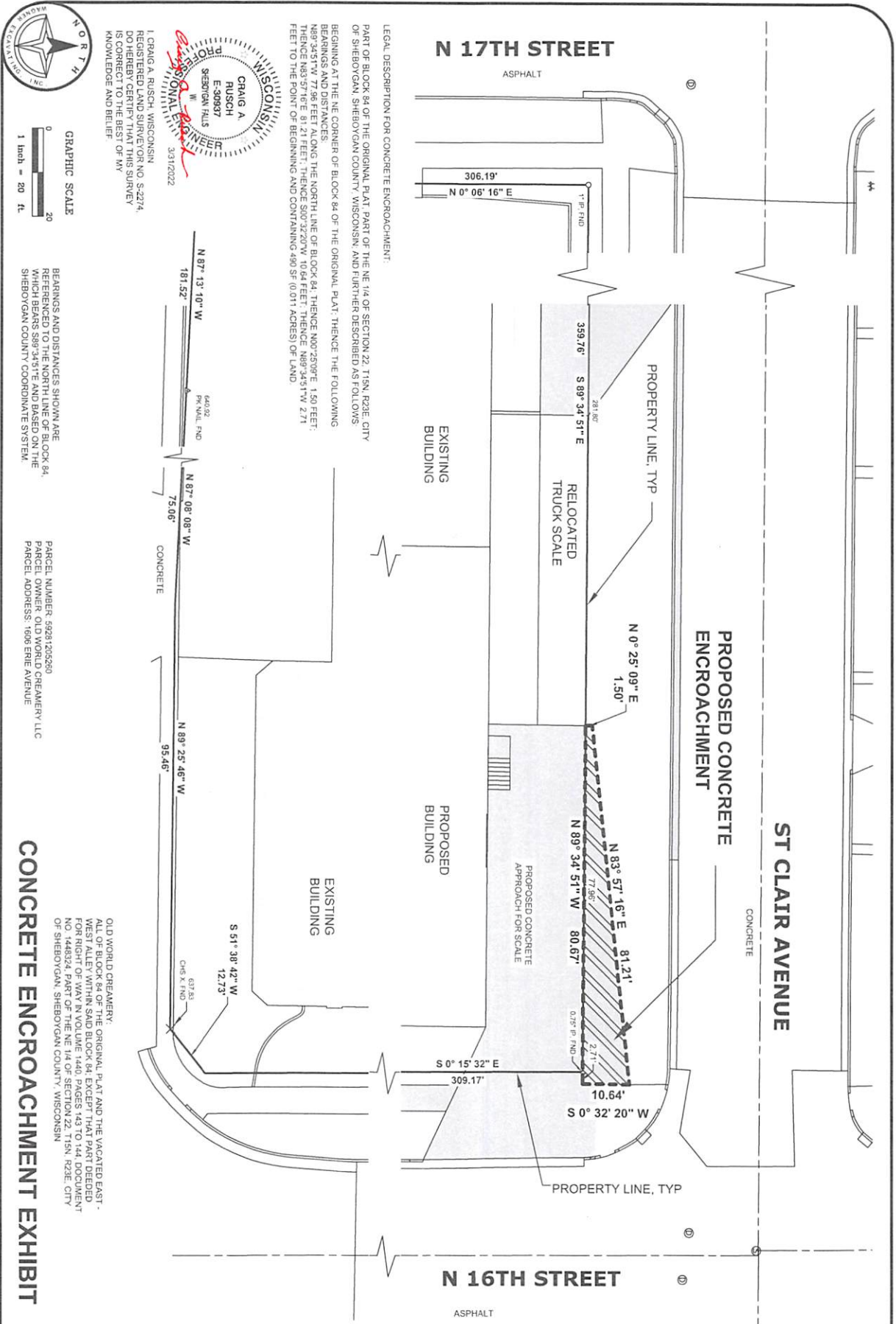
We appreciate your consideration and acceptance.

Respectfully Submitted:

Old World Creamery, LLC

Steve Knaus

Attachment: Concrete Encroachment Exhibit, dated 3/31/22



II

R. O. No. 4 - 22 - 23. By CITY CLERK. May 2, 2022.

Submitting a Notice of Circumstances of Injury regarding an incident that occurred on January 7, 2022 between the City of Sheboygan Police Department and Frank Bernard.

F+P

CITY CLERK

NOTICE OF CIRCUMSTANCES OF INJURY

copy from fax
distributed
on 4/19/22

TO: City Clerk
ATTN. CLAIMS
City Hall
828 Center Avenue, Suite 103
Sheboygan, WI 53081
VIA US MAIL & FACSIMILE - (920) 459-3919 & EMAIL
Meredith.DeBruin@sheboyganwi.gov

Sheboygan Police Department
ATTN. Chief of Police
1315 North 23rd Street
Sheboygan, WI 53081
VIA US MAIL & FACSIMILE - (920) 459-0205 & EMAIL
christopher.domagalski@sheboyganwi.gov

Officer TJ Hamilton (Badge #430) & Officer Ben Woodward (Badge #449)
Sheboygan Police Department
1315 North 23rd Street
Sheboygan, WI 53081
VIA US MAIL & FACSIMILE - (920) 459-0205

PLEASE TAKE NOTICE of the following circumstances of injury, filed and served on behalf of Frank Bernard, D.O.B. 1/10/1968.

On January 7, 2022, Frank Bernard, born January 10, 1968, was assaulted and injured in his home by Sheboygan Police Department Officers TJ Hamilton (Badge #430) and Ben Woodward (Badge #449).

On the night of January 7, 2022, Frank Bernard was in his home, located at 4238 North 29th Street, Sheboygan, WI 53081, and he was lying in bed with his fiancé attempting to go to sleep. At approximately 10:11 p.m., a Sheboygan Police Officer, Officer TJ Hamilton (Badge # 430), arrived at Mr. Bernard's home, approached the porch, and knocked on Mr. Bernard's front door. Mr. Bernard then opened the front door of his home. The officer at the front door, Officer TJ Hamilton (Badge #430), introduced himself to Mr. Bernard, and Mr. Bernard introduced himself to the officer. Officer Hamilton then asked Mr. Bernard "what's going on tonight?" and Mr. Bernard informed the officer that he and his fiancé were attempting to go to sleep for the night. Officer Hamilton informed Mr. Bernard that the police department had allegedly received an

anonymous report that there was a disturbance or was about to be a disturbance at the address. Mr. Bernard's fiancé was also standing in the hallway during the encounter. In fact, Officer Hamilton said "hi" to her after telling Mr. Bernard about the report, and Mr. Bernard's fiancé said "hi" in return. Mr. Bernard replied by shaking his head and stating "yeah, we're going to bed."

Officer Hamilton then asked Mr. Bernard whether his wife was home, despite just greeting Mr. Bernard's fiancé just seconds prior. Mr. Bernard, confused by the question due to the fact that he is engaged and not married, opened his door further so that Officer Hamilton could see his fiancé. Officer Hamilton asked Mr. Bernard's fiancé if everything was alright, and Mr. Bernard's fiancé responded "yes." Officer Hamilton then stated that he was going to speak to Mr. Bernard's fiancé, at which point Mr. Bernard asked the officer to leave the home. Officer Hamilton responded "or else what?" Officer Hamilton again stated that he was going to speak to Mr. Bernard's fiancé, and Mr. Bernard again voiced his opposition. Then, Officer Hamilton, using a mocking voice, again said he was going to speak to Mr. Bernard's fiancé. Mr. Bernard again voiced objection and he took a small step backwards.

Then, the officer assaulted Mr. Bernard by grabbing his wrist and pulling him out of his home onto the porch, slamming him into the exterior of his home, and he then proceeded to push Mr. Bernard into Mr. Bernard's home and physically injure Mr. Bernard. The officer then proceeded to forcefully throw Mr. Bernard onto the ground. At this point in the interaction, Officer Ben Woodward (Badge #449) arrived on the scene and joined Officer Hamilton in assaulting Mr. Bernard. While the officers were handcuffing Mr. Bernard, Officer Hamilton used his knee to strike Mr. Bernard in his left temple. Mr. Bernard was then placed in handcuffs at approximately 10:13 p.m. At no point did the officer provide a warrant or any other documentation or reasoning for their entry and assault.

As Mr. Bernard was being cuffed, Officer Hamilton pursued his fiancé into the bedroom of Mr. Bernard's home. The officer, as well as several other Sheboygan police officers that were beginning to arrive, questioned Mr. Bernard's fiancé in the bedroom. Eventually, Officer Woodward removed the handcuffs from Mr. Bernard at approximately 10:22 p.m. Mr. Bernard was handcuffed for just under ten minutes.

Finally, at 10:53 p.m., over forty minutes after the officers arrived at the Bernard home and entered without a warrant and without express or implied permission, the officers left Mr. Bernard's home.

The next day, on January 8, 2022, Mr. Bernard was contacted by another Sergeant of Patrol, Sgt. Alex Jaeger. Sgt. Jaeger provided Mr. Bernard with complaint forms, and he apologized for the conduct of the Sheboygan police officers. Sgt. Jaeger also informed Mr. Bernard that the police officers went to Mr. Bernard's home the previous night allegedly pursuant to an anonymous tip the Department received from Crime Stoppers, which is a non-profit that allows any individual to make anonymous reports of alleged crimes. The anonymous tip allegedly relating to Mr. Bernard, as explained to him by Sgt. Jaeger, involved an anonymous claim that the owner of the home located at 4238 North 29th Street was allegedly abusing his wife and children inside the home. Mr. Bernard's adult children do not live in his home. The only occupants of the address were Mr. Bernard and his fiancé. The anonymous tip had no specific details, and it ultimately proved to be a false report.

As a result of the false report from Crime Stoppers and the illegal conduct of Officers Hamilton and Woodward, Mr. Bernard suffered a concussion, a painful lump on his forehead, an abrasion above his left eye, a bruised and black left eye, bruising on the top of his right foot, abrasions on his right wrist from the handcuffs, a sore and stiff neck, and a sore/stiff back. Mr. Bernard also had a medical appointment to assess the injuries he sustained in the assault by Sheboygan police officers, and he was diagnosed with a concussion, which has caused headaches, dizziness, neck pain, back pain, upset stomach, forgetfulness, and blurred vision. In addition to his physical injuries, Mr. Bernard has also suffered from emotional distress and trauma, as well as reputational embarrassment.

This notice of circumstances of injury is being filed pursuant to Wis. Stat. Sec. 893.80(1d)(a) and does not limit or restrict any federal civil rights or constitutional claims in any way.

Dated this 14th day of April, 2022.

FIRST, ALBRECHT & BLONDIS, s.c.
Attorneys for Frank Bernard

By:



James P. End
State Bar No. 1032307
Thomas C. Lenz
State Bar No. 1055135
Bryn I. Baker
State Bar No. 1102534

Claimant:
Frank Bernard

First, Albrecht & Blondis, s.c.
158 N. Broadway, Suite 600
Milwaukee, WI 53202
Phone (414) 271-1972
Fax (414) 271-1511
jend@fabattorneys.com
tlenz@fabattorneys.com
bbaker@fabattorneys.com

R. O. No. 9 - 22 - 23. By CITY CLERK. May 2, 2022.

Submitting various license applications.

City Clerk

SIDEWALK CAFE (April 14, 2023)

<u>No.</u>	<u>Name</u>	<u>Address</u>
2085	Legend Larry's Wings & Things	733 Pennsylvania Avenue
2880	Anglers Avenue Pub & Grill	518 South Pier Drive

"CLASS A" LIQUOR LICENSE (June 30, 2023) (RENEW)

<u>No.</u>	<u>Name</u>	<u>Address</u>
2423	Wal-Mart Stores East LP (Wal-Mart Supercenter #1276)	3711 S. Taylor Drive
2702	Oneguide, Inc. (Tietzs Piggly Wiggly #331)	2905 N. 15 th Street
3214	Oneguide, Inc. (Tietz's Piggly Wiggly #332)	3124 S. Business Drive
2820	Superior Discount Liquors, Inc. (Superior Discount Liquors)	823 S. 8 th Street

CLASS "A" FERMENTED MALT BEVERAGE LICENSE (June 30, 2023) (RENEW)

<u>No.</u>	<u>Name</u>	<u>Address</u>
3447	Krishna 1 Petroleum LLC (Fountain Park Stop-N-Go)	905 Erie Avenue

CLASS "A" BEER/"CLASS A" CIDER ONLY LICENSE (June 30, 2023) (RENEW)

<u>No.</u>	<u>Name</u>	<u>Address</u>
1193	Kwik Trip Inc. (Kwik Trip #361)	1618 Calumet Drive
1998	Kwik Trip Inc. (Kwik Trip #780)	2622 S. Business Drive
2920	Kwik Trip Inc. (Kwik Trip #873)	625 S. Taylor Drive
2763	Kwik Trip Inc. (Kwik Trip #897)	2033 North Avenue
3520	Kwik Trip Inc. (Kwik Trip #1138)	1526 Broadway
3526	Fast Fill Inc. (Fast Fill)	1508 S. 8 th Street

"CLASS B" LIQUOR LICENSE (June 30, 2022) (NEW)

<u>No.</u>	<u>Name</u>	<u>Address</u>
3539	Reynoso Properties LLC (GuGu's Bar and Grill)	933 Indiana Avenue

"CLASS B" LIQUOR LICENSE (June 30, 2023) (RENEW)

<u>No.</u>	<u>Name</u>	<u>Address</u>
3423	Wisconsin Apple LLC (Applebee's Neighborhood Grill & Bar)	526 S. Taylor Drive
3150	The Brew Hub LLC (Craft 30)	908 Michigan Avenue
2085	Legend Larrys LLC (Legend Larry's Wings & Things)	733 Pennsylvania Avenue
2742	8 th Street Ale Haus LLC (8 th Street Ale Haus)	1132 N. 8 th Street

2805 Sheboygan Resort Operator LLC (Blue Harbor Resort)	725 Blue Harbor Drive
2685 Lino Ristorante Italiano LLC (Lino Ristorante Italiano)	422 South Pier Drive
2245 Wongjan Manyvanh (Thai Café Restaurant)	1227 N. 14 th Street
1752 Patrick J Martin (The End Zone)	904 Indiana Avenue
3355 Bentley's LLC (Sharpie's on Broadway)	1645 S. 12 th Street
2880 Anglers Avenue LLC (Anglers Avenue Pub & Grill)	518 South Pier Drive
1252 Stanley J Petek (Peteks Tavern)	2702 S. 8 th Street
1833 Champs Inc. (Champs Sports Bar)	1501 Indiana Avenue
2272 PJ's Party Zone LLC (PJ's Party Zone)	910 N. 18 th Street
1516 Wayne H Emmer (Emmers)	906 S. 15 th Street
2192 Calumet Diner, Inc. (Harry's Diner)	2504 Calumet Drive
1936 Catering with Culinary Artists LLC (Black Pig)	821 N. 8 th Street
2807 Sheboygan Columbus Institute (Knights of Columbus)	833 Center Avenue

CLASS "B" BEER LICENSE (June 30, 2023) (RENEW)

<u>No.</u>	<u>Name</u>	<u>Address</u>
2604	Z Spot Espresso & Coffee Inc. (Z Spot Espresso & Coffee)	1024 Indiana Avenue

"CLASS C" LICENSE (June 30, 2023) (RENEW)

2604 Z Spot Espresso & Coffee Inc. 1024 Indiana Avenue
(Z Spot Espresso & Coffee)

CIGARETTE/TOBACCO (June 30, 2023) (RENEW)

<u>No.</u>	<u>Name</u>	<u>Address</u>
2895	Superior Discount Liquor	823 S. 8 th Street
3043	SR Tobacco	2529 S. Business Drive

II

Res. No. 9 - 22 - 23. By Alderpersons Felde and Filicky-Peneski.
May 2, 2022.

A RESOLUTION authorizing the appropriate City officials to sign the January 1, 2022-December 31, 2023 Contract between the City of Sheboygan and Sheboygan Professional Police Officers' Supervisory Association.

WHEREAS, representatives from City of Sheboygan management and the Sheboygan Professional Police Officers' Supervisory Association met to negotiate a renewal to the collective bargaining agreement between them and entered into a Tentative Agreement that set forth the agreed upon terms and changes in the agreement; and

WHEREAS, the rules are being suspended so that this Resolution may be adopted immediately in order to finalize the contract as soon as possible.

NOW, THEREFORE, BE IT RESOLVED: That the Common Council hereby authorizes the appropriate City officials to sign the January 1, 2022-December 31, 2023 Contract between the City of Sheboygan and Sheboygan Professional Police Officers' Supervisory Association, a copy of which is attached hereto and incorporated herein.

Suspend
Adopt

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

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

Res. No.

CITY OF SHEBOYGAN WISCONSIN

2022-2023

AGREEMENT

**SHEBOYGAN PROFESSIONAL POLICE OFFICERS'
SUPERVISORY ASSOCIATION**

Contents

AGREEMENT	4
WITNESSETH:	4
ARTICLE I	4
REPRESENTATION	6
MANAGEMENT RIGHTS	7
ASSOCIATION ACTIVITY AND GRIEVANCE PROCESS	8
PROHIBITION OF STRIKES AND LOCK-OUTS	10
SENIORITY	11
PAY AND WORK SCHEDULE	12
Rates of pay:	12
Education Incentive	13
Work Schedule:	13
Shift Premium:	14
Lunch Period:	14
Overtime:	14
Report Time	15
Longevity Pay:	15
Call-out Pay:	16
Court Cancellations	16
Duty-incurred Disability Pay:	16
Severance Pay:	17
VACATION, HOLIDAYS AND BEREAVEMENT	18
Vacation:	18
Holidays:	18
Bereavement Pay:	19
LEAVES OF ABSENCE	19
SICK LEAVE	20
EDUCATION AND TRAINING	220
Education Benefits:	220

In-service Training:	22
Other Job-related Training:	22
Physical Examinations:.....	22
Drug Screening.....	23
HEALTH INSURANCE.....	23
Health Insurance:	23
Retiree health insurance benefits.....	24
Dental Insurance:.....	26
Life Insurance:.....	26
WISCONSIN RETIREMENT SYSTEM	26
UNIFORM ALLOWANCE AND CITY-ISSUED EQUIPMENT	26
Uniform Allowance:	26
City-issued Equipment:.....	27
Loss or Damage:	27
RESIDENCY	28
BENEFICIARIES OF AGREEMENT	28
AID TO CONSTRUCTION OF PROVISIONS OF AGREEMENT	29
SAVING CLAUSE	29
RESERVATION OF BENEFITS	29
ENTIRE AGREEMENT	29
SIGNATURES ON FILE.....	30
LETTER OF INTENT	31

5 **AGREEMENT**

6
7 THIS AGREEMENT, made and entered into at Sheboygan, Wisconsin, by and between the CITY OF
8 SHEBOYGAN, a municipal corporation, as municipal employer, hereinafter referred to as "CITY," and the
9 SHEBOYGAN PROFESSIONAL POLICE OFFICERS' SUPERVISORY ASSOCIATION, as the
10 representative of certain supervisory personnel who are employed by the City of Sheboygan in the Police
11 Department, hereinafter referred to as "ASSOCIATION."

12
13 **WITNESSETH:**

14
15 WHEREAS, said members of the Association are supervisory personnel and both parties are desirous
16 of reaching an Agreement covering rates of pay, fringe benefits, and hours of work, and
17

18 WHEREAS, the parties do hereby acknowledge that this Agreement is the result of the unlimited right
19 and opportunity afforded to each of the parties to make any and all demands and proposals with respect to the
20 subject of rates of pay, fringe benefits, and hours of work, and
21

22 WHEREAS, it is intended that the following Agreement, shall be consistent with that legislative
23 authority which devolves upon the Common Council of the City of Sheboygan, the Federal Statutes, the
24 Wisconsin Statutes, and insofar as applicable, the rules and regulations relating to or promulgated by the Police
25 and Fire Commission and the Chief of Police, and
26

27 WHEREAS, it is intended by the provisions of this Agreement that there be no abrogation of the
28 duties, rights, obligations, or responsibilities of any agency, board, commission, or department of City
29 government, which is now expressly provided for respectively either by: Federal or State Statutes, charter
30 ordinances and ordinances and resolutions of the City of Sheboygan except as expressly limited herein; and
31

32 WHEREAS, it is intended by the parties hereto that the employer-employee relationship that exists
33 now and has heretofore existed by and between the members of the Association and the City, shall continue to
34 be the same in the event this contract is terminated or by virtue of its terms, becomes terminated.
35

36 **ARTICLE I**

37
38 **(a) Consideration:** The consideration for the execution of this binding Agreement is the covenants
39 mutually expressed herein and arrived at by the parties hereto.
40

5 **(b) Agreement on Behalf of Association:** The Association hereby and herewith covenants, agrees,
6 and represents to the City that the Association is duly authorized and empowered to covenant for and on behalf
7 of all members of the Association and represents that it and its members will faithfully and diligently abide by
8 and be strictly bound to all of the provisions of the Agreement as herein set forth. The parties agree that in
9 conferences, the Association will represent all members of the bargaining unit.

10
11 **(c) Agreement on behalf of the City:** The City hereby and herewith covenants, agrees, and represents
12 to the Association that the City, under the express limitations of this Agreement, is duly authorized and
13 empowered to covenant for and on behalf of the City and for itself represents that it will faithfully and diligently
14 abide by and be strictly bound to all of the provisions of this Agreement as herein set forth.

15
16 **(d) Non-discrimination:** The parties agree that their respective policies will not violate the rights or
17 discriminate against any employee covered by this Agreement because of sex, creed, color, age, national origin,
18 association, affiliation, or non-association, or in the application or interpretation of the provisions of this
19 Agreement.

20
21 **(e) Conditions and Duration of Agreement:**

- 22 1. This Agreement reached as a result of collective bargaining represents the full and complete
23 agreement between the parties and supersedes all previous agreements between the parties. The
24 parties acknowledge that during the negotiations which resulted in this Agreement, each had the
25 unlimited right and opportunity to make demands and proposals with respect to rates of pay,
26 fringe benefits, and hours of work, and that the agreements arrived at by the parties after the
27 exercise of that right and opportunity are set forth in this Agreement.
- 28 2. This Agreement shall remain in full force and effect from January 1, 2022 until its expiration date
29 December 31, 2023.
- 30 3. It is further understood and agreed that all expenditures or compensation to be paid to members
31 of the Association in accordance with this Agreement must first meet the requirements and
32 procedures required by law and the provisions of Chapter 65, Wisconsin Statutes.
- 33 4. Any matter which directly or indirectly relates to wages, hours, or conditions of employment, or
34 which relates to other matters, whether the same are specifically covered by this Agreement or
35 not, will not be a subject for bargaining during the term of this Agreement; subject, however, to
36 the provisions contained in Article XVII and XVIII of this Agreement.

37
38 **(f) Timetable and Notices:**

- 39 1. Conferences shall be carried on by the parties hereto, beginning not less than ninety (90) calendar
40 days prior to the expiration of this Agreement.

2. All written notices sent by the Association representatives to the City requesting conferences shall be directed to the Mayor and Common Council
3. All written notices sent by the City to the Association requesting conferences shall be directed to the President of the Association.
4. The Association President shall advise the City and the Chief of Police of the names of Association members named to its negotiating committee sufficiently in advance of the regularly scheduled conferences so as to permit scheduling for continuity of operations within the department. Said Association members named to the negotiating committee shall hereinafter be referred to as Association representatives.

ARTICLE II – REPRESENTATION

(a) Recognition: The City recognizes the Association as the exclusive representative of certain supervisory personnel in the Police Department for the purpose of engaging in conferences and negotiations with the City on the subject of rates of pay, fringe benefits, and hours of work for all full-time employees in the following classifications who have completed their initial one (1) year as new members of the department:

Captain

Lieutenant

Sergeant

(b) Probationary Period:

1. All new full-time employees of the Police Department shall serve a minimum probationary period of one (1) year, uninterrupted by any type of service break, during which time they will be termed “probationary employees.”
2. Probationary employees’ service may be terminated at any time by the Chief of Police, in his/her sole discretion, and neither the employee so terminated nor the Association shall have recourse over such termination.
3. After an employee of the Police Department has successfully completed his/her probationary period of employment, he/she shall become a regular full-time employee of the department, and he/she shall be placed on the seniority list as of his/her date of hire as a new employee of the department.
4. All promoted employees shall serve a minimum probationary period of one (1) year uninterrupted by any type of service break. An acting appointment within three (3) years of said promotion which was approved by the Chief on the prescribed City payroll change form will be credited toward said probationary period.

(c) Unit of Representation: In the event new positions not now covered by the recognition provision of this Agreement are created by the City through action of the City Council, and said positions would be embraced within the Association, provided the parties agree that the new position should be embraced within the Association, then the employees appointed to such positions shall be deemed part of the Association and shall be represented by the Association, and they shall also be covered by the Agreement between the Association and the City.

(d) Cooperation: The Association recognizes its responsibility to cooperate with the City to assure maximum service at minimum cost to the public consonant with its obligations as a supervisory group.

(e) Consolidation: In the event a consolidation occurs in the City, between City and/or County law enforcement departments, or units thereof, the employees of which are in part or in whole within a recognized bargaining unit, and such consolidation results in combining of employees in a department who were members of more than one bargaining unit, then a new election shall be requested of the Wisconsin Employment Relations Commission. The certified representative as determined by the Wisconsin Employment Relations Commission pursuant to the election shall assume the contractual obligations of each and every consolidated unit as if no consolidation had occurred until the expiration of the existing contract or agreement.

ARTICLE III - MANAGEMENT RIGHTS

(a) The Association recognizes the rights of the City, the Police and Fire Commission, and the Chief of Police to operate and manage their affairs in all respects in accordance with the laws of the State of Wisconsin, ordinances of the City of Sheboygan, and the Constitution of the United States.

(b) The Association recognizes the exclusive right of the Chief of Police to establish reasonable departmental rules and regulations in accordance with the laws of the State of Wisconsin, ordinances of the City, and the Constitution of the United States.

(c) The Association recognizes the exclusive right of the Chief of Police to direct and supervise the work of the employees in the department, and to hire, promote, transfer, or discipline these employees, to determine work schedules, to determine the methods, means, and personnel by which work is to be conducted, the level and types of services offered, and the quality of work required.

(d) The Association pledges cooperation to the increasing of departmental efficiency and effectiveness. Any and all rights concerning the management and direction of the Police Department and the

5 police force shall be exclusively the right of the City, the Police and Fire Commission, and the Chief of Police
6 unless otherwise provided by the terms of this Agreement as permitted by law.

8 **ARTICLE IV – ASSOCIATION ACTIVITY AND GRIEVANCE PROCESS**

10 **(a) Association Activity:**

- 11 1. No Association officer, representative, or member shall conduct any Association business on City
12 time except as specified in this Agreement.
- 13 2. Reasonable attempts shall be made to conduct contract conferences between the parties outside
14 of the regularly scheduled work hours of designated Association representatives insofar as is
15 practical. If such meetings are not conducted outside the regularly scheduled work hours, and are
16 held upon the request of the employer, the period of time such Association representatives are
17 present at such meetings shall not be deducted from their pay; said pay to apply to no more than
18 three (3) of such representatives. Under no circumstances will payment be made for time spent
19 outside the regularly scheduled workday or workweek. If conferences are held upon the request
20 of the Association at a time during the regular work hours of designated Association
21 representatives, the time they are absent from their employment duties shall be deducted from the
22 pay of all Association representatives present at such meetings. The negotiating committee shall
23 consist of no more than five (5) of said Association representatives.

25 **(b) Dues Deduction:** The City agrees to deduct from the wages of any Association member all
26 Association membership dues and fees uniformly required by the Association. Employees who disagree with
27 how the Association spends money for political or ideological purposes are entitled to a rebate for monies thus
28 spent pursuant to law as stated by the United States Supreme Court. Such per capita rebate may be obtained by
29 requesting same in a letter to the Treasurer of the Association. The City also agrees to continue the practice of
30 deducting voluntary employee deductions from the wages of employees of the department, including, but not
31 limited to, credit union deductions, United Fund deductions, bond and insurance deductions, and such other
32 deductions of a similar nature as are now being deducted. The Association agrees to indemnify and hold the
33 City harmless against any and all claims, suits, orders, or judgments brought or issued against the City as a
34 result of any action taken or not taken by the City under the provisions of this Article.

36 **(c) Grievance Provisions:**

- 37 1. A grievance under this Agreement is a written claim arising under and during the terms of this
38 Agreement, initiated as set out below by the aggrieved person or persons and the subject matter
39 of said grievance shall be limited to the interpretation, application, or enforcement of the terms
40 of this Agreement.

2. Both the Association and the City recognize that grievances and complaints shall be settled promptly and at the earliest possible time and step.
3. Class grievances involving the general interpretation, application, or enforcement of the terms of this Agreement shall be initiated by the Association at Step 2 of this procedure.
4. The person or persons having the grievance may have a representative of the Association to represent them without loss of pay at any step in the procedure. However, no individual hearing a grievance need recognize more than one (1) representative in addition to the employee or employees having the grievance, except in Step 2, set out below in Section (c), Subsection 2, two (2) representatives in addition to the person or persons having the grievance may be present.
5. The individual hearing the grievance shall determine the time and place for such hearing within the time limits described in this article.
6. Departure from the steps of this procedure or changes in time limits may be made with the permission of the Chief of Police or his/her designated representative upon request of either party when mutually agreed upon by the Chief of Police and the aggrieved party and his/her designee.

(d) Items Exempt From Consideration for Processing Under This Procedure Include the Following:

1. Disciplinary actions, job classifications, promotional procedures as are provided by Section 62.13, Wisconsin Statutes, or any other matter provided for in that statute. With regard to the foregoing matters Section 62.13, Wisconsin Statutes, will apply rather than the grievance procedure.
2. Department operations, including orders given, response to such orders, and the carrying out of required duties, except as otherwise provided by this Agreement.

(e) Steps in the Grievance Procedure:

1. **Step 1:** All grievances shall be initiated within ten (10) days of the date of the alleged violation, or within ten (10) days of when a prudent person should have reasonably known of such alleged violation, or it shall be considered invalid. The aggrieved person shall discuss the grievance verbally with his/her immediate supervisor within said ten (10) day period. The Supervisor consulted shall give a verbal response to the aggrieved within four (4) days of the said discussion.
2. **Step 2:** If the aggrieved employee decides the reply of his immediate supervisor is unsatisfactory, the aggrieved employee, or the Association Representative, may within ten (10) days of the Supervisor's response submit the grievance in writing to the Division Commander of the aggrieved employee or his/her duly designated representative with a copy directly to the Chief of Police. The grievance shall set forth the date of the alleged violation, the article and section of the contract that is claimed violated, the facts of the grievance and the relief sought. Within ten

(10) days of receipt of the grievance, the Chief of Police and the employee's divisional commander shall have an informal meeting with up to two (2) association representatives. Either party may invite any aggrieved employees to the meeting to present facts and answer questions. The aggrieved employee(s) shall be excused after presenting the facts and answering questions of the Association representative and the Chief of Police. The Chief of Police shall, within seven (7) days of the meeting, furnish the Association representative with a written response either granting or denying the grievance, and the reason for such decision. The decision of the Chief of Police shall be final on all matters pertaining to the Police Department operation, except as to rights granted by this Agreement.

Notwithstanding any other provision to the contrary, nothing contained herein shall preclude the parties to this contract from applying the provisions of Section 62.13 of the Wisconsin Statutes with respect to all matters contained therein and nothing contained in said Section 62.13, Wisconsin Statutes, shall be subject to arbitration.

(f) Disciplinary interviews:

Employees involved in disciplinary interviews and/or investigations regarding alleged violations of department rules and regulations will be granted the following rights:

1. To be notified of the names and official capacity, if any, of all persons present during said interviews(s).
2. To be notified of the nature of the questioning before any questions are directed to the officer.
3. To have present another member and/or attorney of his/her (at his/her expense) choosing during said interview(s), if requested.
4. To refuse to answer any questions if any of the above rights are denied to him/her.
5. To be notified if any conversation is being recorded at said interview(s).
6. To have access to personnel record inspections in accordance with State Statute 103.13.
7. To be governed by State Statute 942.06 regarding polygraph tests.
8. The employee shall not be disciplined or discharged without just cause.

(g) Disciplinary action appeals to Circuit Court

1. Disciplinary actions against members of the Association may be appealed to Circuit Court as described in Wisc. Stats 62.13(5).

ARTICLE V – PROHIBITION OF STRIKES AND LOCK-OUTS

- (a) The parties to this Agreement mutually recognize and agree that the services performed by the members of the Police Department are services essential to the public health, safety, and welfare.

Therefore, the Association shall not cause or permit its members to strike, slow down, disrupt, impede, or otherwise impair the normal functions of the department, nor shall any member of the Association take part in any of such prohibited activities.

(b) There shall be no lock-out by the City during the term of this Agreement or any extension thereof.

ARTICLE VI - SENIORITY

For purposes of layoff and continuity of service:

(a) Length of service for the purpose of this article is to be measured from the original date of hire in the Police Department, unless otherwise specified herein.

(b) Seniority shall be broken and employment terminated for any of the following reasons:

1. The employee retires, or
2. The employee resigns from the police service, or
3. The employee is discharged and the discharge is not reversed, or
4. The employee is not recalled from layoff for a period of two (2) years, or
5. The employee is recalled from a layoff and does not report for work within three (3) calendar weeks, or
6. The employee does not return at the expiration of a leave of absence, or
7. The employee gives a false reason in requesting a leave of absence or engages in other full-time employment without authorization during such leave of absence, or
8. The employee knowingly falsified information on his/her application for employment material to his/her employment status, or
9. A settlement with the employee has been made for total disability under the Worker's Compensation Act.

(c) A member of the Police Department shall be deemed to have continuous service with the department unless his/her seniority be broken as set forth in Section (b) above, and except if he/she shall be absent without leave in excess of three (3) workdays in any given month of the calendar year.

(d) Dismissals and Re-employment:

1. When it becomes necessary, because of need for economy, lack of work or funds, or for other just causes, to reduce the number of subordinates, the emergency, special, temporary, part-time, or provisional subordinates, if any, shall be dismissed first, and thereafter subordinates shall be dismissed in the order of the shortest length of service in the department.

2. When it becomes necessary for such reasons to reduce the number of subordinates in the higher positions or offices, or to abolish any higher positions or offices in the department, the subordinate or subordinates affected thereby shall be placed in a position or office in the department less responsible according to his/her efficiency and length of service in the department.

3. The name of a subordinate dismissed for any cause set forth in this section shall be left on an eligible reemployment list for a period of two (2) years after date of dismissal. If an approved vacancy occurs, or if the number of subordinates is increased, in the department, such vacancy or new positions shall be filled by persons on such list in the inverse order of the dismissal of such persons, providing said officer can pass the pre-employment physical examination.

(e) As to all other matters relating to seniority, Chapter 62.13, Wisconsin Statutes, shall apply.

ARTICLE VII – PAY AND WORK SCHEDULE

(a) Pay Plan:

Wages of Association members shall be paid biweekly. Mandatory direct deposit shall be required. The administration of the pay plan shall be in accordance with the salary and wage ordinances, and the City reserves the right to make correction of clerical errors to the salary and wage ordinances if any are found.

(b) Rates of pay:

The parties agree that the wages paid to Association members covered by this Agreement shall be increased as follows, in accordance with the applicable salary and wage ordinances of the City of Sheboygan, and any appropriate amendments:

1. Effective January 1, 2022, the parties hereto agree that all class grades in Pay Schedule Q shall receive an increase of two and three-fourths (2.75) percent on the base rate Steps 1 through 5, rounded off so that the biweekly pay is divisible by 78 hours in even cents per hour. Effective January 1, 2023, the parties hereto agree that all class grades in Pay Schedule Q shall receive an increase of one (1.00) percent on the base rate Steps 1 through 5, rounded off so that the biweekly pay is divisible by 78 hours in even cents per hour. Effective on the fifteenth payroll of 2023, an increase of two (2.00) percent on the base rate Steps 1 through 5, rounded off so that the biweekly pay is divisible by 78 hours in even cents per hour.

5 **(c) Education Incentive.**

6 Effective January 1, 2019 the lump sum educational payments were discontinued and transitioned to
7 an additional hourly amount being added to the pay schedule. This was done by creating separate pay schedules
8 for Sergeant, Lieutenant, and Captain, as well as corresponding schedules for each rank with Bachelor's Degree
9 (additional \$0.35 per hour) and Master's Degree (additional \$0.50 per hour). The additional amount was added
10 to the hourly pay of the schedule at all steps in the schedule.

11
12 Employees earning a degree are placed in the appropriate schedule upon hire or during the first pay
13 period of the new year following their being awarded the degree. The department will provide a list of
14 employees newly eligible to payroll in December of each year. The employee must notify the department and
15 provide documentation upon being awarded a degree.

16
17 Effective 2019, employees skilled in Spanish or Hmong fluency (and actively employed as of
18 December 31 the prior year) will receive a \$250.00 lump sum payment. This amount is to be issued during the
19 second payroll in February, 2019 and yearly thereafter.

20
21 **(d) Work Schedule:**

- 22 1. Since the employees covered by the terms of this Agreement are supervisory personnel and as
23 such are charged with the responsibility of controlling and directing subordinate personnel in
24 executing their specified police assignments, the regular duty week shall be determined by the
25 Chief of Police.
- 26 2. Supervisors will work on a 5-2, 5-3 (then repeat cycle) work schedule.
- 27 3. Should any state or federal law or regulation result in the work schedule being in excess of
28 permissible straight-time hours which results in an increase in the financial benefit to any
29 employee, the parties hereto agree to immediately negotiate a revised schedule to adjust said
30 excess.
- 31 4. Police personnel covered under this Agreement may be permitted to accumulate reserve days not
32 to exceed three (3) in number when in the judgment of the Chief or his designated representative
33 said changes do not interfere with the efficient operation of the department. The City shall not be
34 liable for any overtime or other additional payments as a result of changes in duty hours. Said
35 request shall be made at least one (1) day but in no event more than twelve (12) weeks prior to
36 the change in duty schedule. A maximum twelve (12) week repayment period is allowed,
37 provided such repayment has been completed by December 31 of the year in which they occur.
- 38 5. Effective 2015 forward, the City may modify one or more employees' regular work schedule for
39 the Independence Day celebration, to accommodate the increase in coverage, provided the
40 modification to an employee's schedule is made 60 or more days in advance. If an employee

takes 40 hours of vacation covering or adjacent to Independence Day celebration, he/she is exempt from this provision. This modification will count as a regular workday, not subject to overtime, unless the work period exceeds the normal 8-hour shift. All other benefits will be paid according to the contract and past practice, e.g. Holiday Straight Time, Holiday OT rate, etc.

(e) Shift Premium: Shift premium pay shall be applicable to employees who are regularly assigned to an afternoon or night shift as hereinafter defined. Temporary rescheduling of shifts for less than one (1) calendar month shall not be considered in computing premium pay.

1. Employees regularly assigned to a shift falling between the hours of 3:00 p.m. and 3:00 a.m. shall be deemed working the afternoon shift and will receive \$34.00 (thirty four dollars) biweekly effective January 1, 2010.
2. Employees regularly assigned to a shift falling between the hours of 8:00 p.m. and 8:00 a.m. shall be deemed working the night shift and will receive \$40.00 (forty dollars) biweekly effective January 1, 2010.
3. The union maintains the right to negotiate the dollar amounts indicated in above sections.

(f) Lunch Period: Lunch and break periods shall be at the discretion of the Chief of Police or his duly delegated representative.

(g) Overtime:

1. Overtime shall be paid under either of the following conditions:
 - a. When the employee performs work of thirty (30) minutes or more in excess of the regular workday, excluding report time as set forth in Section (g) below, or
 - b. When the employee performs work in excess of the regular workweek, excluding report time as set forth in Section (g) below.
2. **Compensation for overtime work** shall be paid at the rate of one and one-half (1-1/2) the regular rate of pay, except that members of the Association working overtime on a holiday as defined in Article VIII(b)(4) shall receive two (2) times their regular rate of pay for said holiday time worked beyond their normal workday.
3. Members of the Association may **take compensatory time off** at the rate of one and one-half (1-1/2) time in lieu of overtime cash payments with the approval of the Chief of Police or his duly delegated representative.
4. In 2018, members of the bargaining unit will be permitted to retain 80 hours of compensation time. After that, all overtime hours will be paid out as earned. All accumulated compensatory time will be paid out on the last payroll of the year at the current rate of pay. Members who wish to have earned compensatory time paid prior to the last payroll of the year shall complete a

“sellback request” available through the department’s automated scheduling and payroll system. Sellback requests must be completed in full-hour increments. The sellback request shall include the number of compensatory time hours the employee wishes to have paid. The sellback request will be forwarded to payroll and will be paid on the following pay period. Members who wish to participate in a bi-weekly payout and not accumulate their overtime must sign-up each year for this option (sign-up forms will be distributed by payroll in December of each year).

5. Application of provisions contained in this section shall not involve pyramiding, duplicating, or compounding of overtime.

(h) Report Time: Each supervisor will be required to report to work forty-five (45) minutes prior to the beginning of his/ her shift.

Effective March 30, 2003, report time shall be paid in lieu of overtime at the rate of 160.5 hours at the Captain, Lieutenant, and Sergeant current hourly wage rate (Schedule Q) and shall be paid equally in twenty-six (26) pay periods annually. Report time will be adjusted each time base salary rates at Schedule Q of the agreement are increased. The 160.5 hours worked, as set forth above, is calculated on the basis of two hundred fourteen (214) days actually worked multiplied by .75 of an hour for each work day during which preparation for report time is conducted. $(214 \times .75 = 160.5)$

(i) Longevity Pay: All members of the Association whose performance is satisfactory shall receive longevity pay according to the schedule in Subsection 1. Such longevity pay shall be paid commencing on the first regular pay period following entitlement thereto:

Step 6. After five (5) years' continuous service and one (1) year at maximum rate, an addition of 1-1/2 (one and one-half) percent to Step 5.

Step 7. After ten (10) years' continuous service and one (1) year at maximum rate, an additional 1-1/2 (one and one-half) percent for a total of three (3) percent added to Step 5.

Step 8. After fifteen (15) years' continuous service and one (1) year at maximum rate, an additional 1-1/2 (one and one-half) percent for a total of 4-1/2 (four and one-half) percent added to Step 5.

Step 9. After twenty (20) years of continuous service and one (1) year at maximum rate, an additional 1-1/2 (one and one-half) percent for a total of 6.0 (six) percent added to Step 5.

Step 10. Effective July 1, 2018, after twenty-five (25) years of continuous service one (1) year at maximum rate, an additional 2 (two) percent for a total of 8.0 (eight) percent added.

(j) In the event a member of the Association is promoted to a class grade with a higher pay range, the entrance rate shall be at the lowest step in the higher class grade that will provide an increase of no less than eight (8) percent over his/her regular class grade rate prior to such promotion. If the promoted member is paid at a step level below that of the member's actual service step, the member shall be paid at the member's actual service step at the completion of the probationary period.

(k) Call-out Pay:

1. Effective April 9, 2003, members of the Association who are **called back to duty** outside of their regularly scheduled hours shall receive call-out pay for authorized extra time for special events, court appearances, training, and investigations pursuant to their official duties at a minimum of two (2) hours at time and one-half (1-1/2) pay for each such special call-out, providing a minimum interval of two (2) hours exists between the start of each call-out. Officers are required to respond immediately to all call-outs as directed. Time and one-half (1-1/2) will be paid for actual firearm training time in excess of the regular workday.
2. All **witness fees** paid to members of the Association which arise out of their employment duties shall be paid to the Finance Director/Treasurer's Office.
3. Court Cancellations: An officer required to appear in court as a result of his/her employment duties, except civil actions not involving the City, shall be eligible for two (2) hours' compensation at his/her regular rate of pay in the event the scheduled case is cancelled after 5:00 pm the day before the hearing. In the event that an officer is eligible for court cancellation pay, and the scheduled court appearance time is within two (2) hours of the supervisor's scheduled starting time, the supervisor shall be eligible for compensation at his/her regular rate of pay from the time of the scheduled appearance to the time of the member's scheduled starting time. To be eligible for such compensation, the employee must consult the current court calendar to determine the status of the case. Said pay shall not apply if the officer is reimbursed from any other source for said service.

(l) Duty-incurred Disability Pay:

1. An Association member who sustains a compensable injury while performing within the scope of his/her employment as provided by Chapter 102, Wisconsin Statutes, shall receive his/her regular straight-time wages for the period of time he/she is temporarily totally or temporarily partially disabled because of said injury, not to exceed six (6) months per injury, and providing such person endorses his/her compensation check from the insurance carrier over to the City Finance Director/Treasurer for deposit in the proper fund. After the expiration of the six (6) months, said person shall receive only the compensation payment awarded him/her by the insurance carrier or such payments he/she is entitled to pursuant to law. The amount thus received

in excess of the payments to which the employee shall be entitled under the provisions of the Worker's Compensation Act, shall be attributable and applied as an off-set by the City to any claim which the employee may be entitled to because of a permanent injury sustained.

2. In no case shall a person receive duty-incurred disability pay for more than twelve (12) months (2108 hours), during his/her period of employment, regardless of the number of compensable injuries involved.

3. During any time in which a person is receiving duty-incurred disability pay, all the rights and benefits he/she is entitled to as a member of the Association shall continue to accrue, including, but not limited to, sick leave and vacation time.

4. When a person qualifies for duty-incurred disability pay, such pay will have priority over, and be paid before, any accrued sick leave time or sick leave pool time is paid to such person.

5. Members of the Police Department who have not completed their initial one (1) year probationary period as new members of the department shall not receive duty-incurred pay from the City for any physical condition or aggravation of a physical condition preexisting the date of hire of such persons.

(m) Severance Pay:

1. Upon retirement, layoff without cause on the part of the employee, or death, an employee or the employee's estate will receive the following severance pay, less any amount paid to the employee as a result of any previous terminations.

a) **Language Fluency Incentive:** Any language fluency incentive as described in ARTICLE VII (c)

b) **Vacation:** All unused vacation pay and earned vacation pay prorated for all completed months of service from January 1 to the date of retirement.

c) **Compensatory Time:** Payment for any accumulated overtime work performed.

d) **Sick Leave.** A full-time employee is entitled to payment for all accumulated sick leave, not in excess of eighty (80) days, at his/her regular rate of pay exclusive of holiday pay upon retirement, layoff without cause on the part of the employee, or death, less any paid out as a result of any previous terminations.

2. Upon voluntary termination, an employee will receive the following severance pay less any amount paid out as a result of any previous terminations.

a) **Vacation:** All unused vacation pay.

b) **Compensatory Time:** Payment for any accumulated overtime work performed.

ARTICLE VIII – VACATION, HOLIDAYS AND BEREAVEMENT

(a) Vacation:

All employees hired after January 1, 1988, between December 1 through December 31 will be entitled to the first step in the vacation schedule January 1 of the following year.

1. Each member of the Association shall be granted a yearly vacation without loss of pay in accordance with the following schedule:

- a. After completion of one (1) years' service with the Police Department to completion of four (4) years' service with the department, one hundred four (104) hours of vacation per year.
- b. After completion of five (5) years' service with the Police Department to completion of nine (9) years' service with the department, one hundred forty-four (144) hours of vacation per year.
- c. After completion of ten (10) years' service with the Police Department to completion of fourteen (14) years' service with the department, one hundred ninety-two (192) hours of vacation per year.
- d. After completion of fifteen (15) years' service with the Police Department, two hundred forty (240) hours of vacation per year.

2. All vacations must be taken in the calendar year after which it was earned, at a time that meets with the approval of the Chief of Police; except when a vacation was cancelled due to an immediate or impending police emergency in November or December, such cancelled vacation may be taken the following year at a time that meets with the approval of the Chief of Police.

(b) Holidays:

1. Each member of the Association shall be granted ten (10) days of compensatory pay (regular base rate, including longevity, if any) in lieu of holidays in addition to the regular base pay or longevity rate. Such compensatory pay shall be apportioned equally over the pay periods of the year.

2. Members of the Association required to work on holidays shall receive in addition to their regular pay, hour for hour additional pay at the employee's straight time rate of pay up to a maximum of eight (8) hours, of Subsection 3 below. Such additional straight time shall be paid on the last payday in December of each year following its accrual, except insofar as such overtime was compensated by compensatory time off.

3. a. The ten (10) paid holidays shall be as follows:

New Year's Day	Labor Day
Friday before Easter	Thanksgiving Day

Easter Sunday	Christmas Eve
Memorial Day	Christmas Day
Independence Day*	New Year's Eve Day

*Independence Day (or the date of official celebration, designated by the Common Council), with the understanding that this day alone will be recognized as the holiday.

b. One (1) Floating Holiday

4. Compensation for those employees who are called in on their regularly scheduled off day to work on a holiday shall be as follows:

- a. Holiday compensatory pay as defined in Section (b)1 above.
- b. Double time rate of pay for hours worked.
- c. Up to eight (8) hours holiday pay as defined in Section (b)2 above.

Said eight (8) hours can be taken in pay, or compensatory time off, at the option of the employee.

(c) Bereavement Pay:

1. Effective January 1, 2007, the City will pay for each day of approved absence from work for any of the five (5) normally scheduled workdays that fall either directly before or directly after the date of the funeral, not to include already scheduled regular days off, for time necessary to attend or arrange for funerals of spouse, children, parents, of an employee. The City will pay for each day of approved absence from work for any of the three (3) normally scheduled workdays that fall either directly before or directly after the date of the funeral, not to include already scheduled regular days off, for time necessary to attend or arrange for funerals of grandchildren, mother- or father-in-law, brother- or sisters-in-law, brothers, or sisters of an employee. In addition, employees will be accorded time off to attend the funeral services of grandparents up to a maximum of one (1) day when authorized in advance by the Chief of Police.
2. A member of the Association excused from work under this section shall receive eight (8) hours at his/her regular rate of pay per each scheduled day of work excused in accordance with Section (c)1. Time thus paid will not be counted as hours worked for purpose of overtime.

ARTICLE IX - LEAVES OF ABSENCE

The provisions of Chapter 82 of the Municipal Code of the City of Sheboygan are recognized and made a part of this Agreement by this reference.

Leaves of absences and benefits during military reserve training for Reservists and members of the National Guard shall be in accordance with applicable laws; currently, U.S. Department of Labor, Chapter 43, Part 3, Roman Numeral - Title 38, U.S. Code.

ARTICLE X - SICK LEAVE

(a) Each member of the Association shall accumulate sick leave days of one (1) day for each completed month of service with the department.

(b) Unused sick leave will be accumulated up to a maximum of one hundred forty-four (144) working days. Unused sick leave in excess of one hundred forty-four (144) working days per person shall be pooled in the Police Department sick leave pool and may be restored, pursuant to the terms of this article, for use of the members of the Police Department.

(c) Administration of the sick leave pool shall be under the jurisdiction of the Chief of Police and administered at his sole discretion. A member of the department is not eligible to participate in the sick leave pool if he/she is eligible for any other City benefit program including, but not limited to, the following:

1. Duty-incurred disability pay
2. Base sick leave pay
3. City-paid retirement disability programs
4. City-paid annuity programs

All such requests to participate in the sick leave pool must be made in writing by the employee to the Chief of Police setting forth and including the following information:

Submission of satisfactory medical evidence from a physician on a form prescribed by the City certifying that the employee has been incapacitated for said period of absence, the estimated period of time the employee will continue to be incapacitated, and the nature and prognosis of the illness or injury.

The Chief of Police will advise the employee of his decision in writing within fifteen (15) working days after receipt of the above information.

(d) A member of the Association eligible for sick leave may use such sick leave for absence necessitated by non-occupational illness, injury, exposure to contagious disease, and in the event of an

5 emergency due to a serious illness or accident in the officer's immediate family up to ten (10) days in a calendar
6 year at the discretion of the Chief of Police. The term "immediate family" as referred to herein includes the
7 spouse of the member, his/her unemancipated children, and disabled dependents of the member who are wholly
8 dependent on the member for their support and maintenance and who reside in the member's immediate
9 household. A normal pregnancy devoid of serious complications is not considered a serious illness in the
10 member's immediate family.

11
12 (e) Members of the Association absent from work on legal holidays, during sick leave, vacation, or
13 disability arising from injuries sustained in the course of their employment, or for authorized leaves of absence
14 with pay shall continue to accumulate sick leave at the regularly prescribed rate during such absence as though
15 they were on duty subject to the maximum accumulation of one hundred forty-four (144) days as set forth in
16 Section (b) above.

17
18 (f) A member of the Association on sick leave shall inform his/her immediate supervisor of that fact
19 and the reason therefore prior to the day of absence or as soon as possible, but not later than one (1) hour before
20 his/her reporting time. A member shall keep his/her immediate supervisor informed at reasonable times during
21 the period of his/her sick leave of his/her condition. In the event that an illness or injury extends beyond three
22 (3) working days or at any time if there is an apparent abuse of the sick leave privilege, the Chief of Police
23 may request that he be provided with a doctor's certificate stating the nature of the illness or injury which
24 caused the member's incapacitation.

25
26 (g) Absences for a fraction or part of a day that are chargeable to sick leave in accordance with the
27 provisions of this article shall be charged proportionately in an amount not smaller than two (2) hour
28 increments.

29
30 (h) It is recognized that sick leave is a valuable income protection insurance benefit paid for by the
31 City to be used solely for bona fide sickness or accidents in accordance with the provisions herein. In the event
32 any employee has misused the sick leave provisions contained herein, or has requested the use of sick leave
33 when such sick leave is not warranted, he/she may subject himself/herself to disciplinary action, up to and
34 including discharge.

ARTICLE XI – EDUCATION AND TRAINING

(a) Education Benefits:

1. Members of the Association required to attend necessary job-related police training or education out of the City shall receive full pay for time spent attending school within the limits of Municipal Code, Chapter 82 and upon approval of the Chief of Police.
2. Tuition and textbook reimbursement shall be in accordance with the Federal Omnibus Crime Bill and Safe Streets Act of 1968, the Division of Highway Safety Coordination of the State of Wisconsin, Veterans Administration Benefits, or any other state or federal agency making grants pertaining thereto. In no event shall there be any duplication of these benefits paid the member.
3. A member of the Association required to attend police courses not covered by Subsection 2 above shall be eligible for tuition and textbook reimbursement for courses successfully completed within the limits of any ordinance pertaining thereto and the Police Department budget.
4. Administration and control of the benefits of this provision shall be under the Chief of Police in accordance with Wisconsin Statutes and municipal ordinances and resolutions.

(b) In-service Training:

1. In-service training, including such time as may be required at the police pistol range, shall be conducted in every practical instance during duty hours on City time.
2. Each member of the Association assumes full responsibility for learning and knowing the material presented at training sessions and further agrees to maintain a level of professional competence to perform the work assigned to him/her.
3. Each member of the Association assumes full responsibility for maintaining a level of physical and mental fitness necessary to perform the work assigned.

(c) Other Job-related Training:

1. The City will pay for tuition and textbooks within the budgetary limits not to exceed three hundred dollars (\$300.00) per employee per year to attend courses directly related to his/her current duties as Police Officer as determined by the Chief and upon approval of the Chief providing the employee satisfactorily completes said course.
2. In no event shall there be any payments of these benefits where an employee is eligible for Veteran Administration benefits, grants, or other reimbursement for said tuition and textbooks.

(d) Physical Examinations: Physical examinations may be required by the Chief of Police at any time at the expense of the City; none of the designated doctors may be the member's own family physician.

Such doctor shall furnish to the Chief of Police the completed medical examination form provided by the City, copy of which is attached hereto, certifying as to the physical and mental condition of the member so examined.

(e) Drug Screening: Physical examinations conducted in following the 15th and 25th year of employment will include a drug screening test for the following:

Amphetamine

Cocaine Metabolite

Opiate

Phencyclidine

Marijuana Metabolite

ARTICLE XII – HEALTH INSURANCE

(a) Health Insurance:

The City shall provide for all eligible employees in the bargaining unit a plan for health insurance, whether insured by the City of Sheboygan or by another reputable insurer. The City shall continue utilization management.

1. The City is self-insured for health insurance and agrees to comply with all State of Wisconsin insurance mandates.
2. Members of the Association shall have the same premium contribution amounts and percentage, and all other related insurance options equal to Non-represented City employees.
3. Members shall have the same opt-out incentive and/or spousal surcharge amount as Non-represented employees.
4. Upon an IRS Qualifying Event, or during the annual open enrollment period, said employee is permitted to return to the city health insurance plan.
5. All benefits shall be subject to the standard provisions set forth in the policy or policies, including "other coverage" and "subrogation" amendments. The City's obligation under this Agreement to provide insurance benefits to members of the Association cease when the member is laid off, discharged, or quits.
6. The City shall not be obligated to provide double coverage; and to escape such double payments, the City may be permitted to cancel benefits or policies which shall duplicate in whole or in part compulsory governmental insurance.

(b) **Retiree health insurance benefits**

1. Employees who maintain one hundred forty-four days (1,152 hours) of unused sick leave shall be eligible to participate in the Good Attendance/Retirement Bonus Program effective January 1, 1988. Under the program and upon retirement the employee will be given a maximum of one (1) retirement insurance credit for each unused sick leave day accumulated after January 1, 1985 in excess of one hundred forty-four (144) days. In each case of an extended non-occupational injury or illness in excess of thirty (30) workdays during the ten (10) calendar years immediately preceding an employee's retirement date an additional one-half (1/2) credit will be given for each consecutive sick day used in excess of thirty (30) workdays during said injury/illness. **Effective January 1, 2010**, upon retirement all accumulated retirement insurance credits will be converted into cash value, at the rate of twelve (12) percent of the cost of the single health insurance plan per credit.
2. Retiree Health Insurance Monthly Credit: Full-time employees who retire shall be credited with an aggregate amount equal to \$58.03 per month effective **January 1, 2009**, times the number of months from the month after retirement until age sixty-five (65) or until eligible for Medicare or any government-sponsored insurance whichever occurs first.
3. Upon retirement all credits and monies referred to in Subsection (b) shall be placed into a City escrow account from which the retiree's premium for the City's health insurance plan for retirees will be paid in an amount equal to the cost of the lowest-priced single health insurance plan until age sixty-five (65) or until said retiree becomes eligible for Medicare or any government-sponsored insurance, dies, or until the account is exhausted, whichever occurs first.
4. Upon retirement, all said employees' sick days accumulated after January 1, 1985, which are accredited to the sick leave pool shall be removed from the employees' sick leave accounts and the department's sick leave pool.
5. A retired member of the Association who has accumulated unused sick leave severance pay may at the time of retirement elect to receive full conversion credit at his/her current basic pay rate for these hours. Said members will exercise this option at the time of retirement and the selection shall be final and irrevocable. The conversion credit shall be recorded and used by the City until exhausted on behalf of the member, spouse, and unemancipated children of the member under the age of eighteen (18) to pay the premium for the City's hospital, surgical, and major medical plan for retirees, providing the member meets the following conditions:
 - a. The member must be eligible to receive Wisconsin Retirement System annuity payments or local pension under Wisconsin Statute 62.13, and must have reached retirement age as determined for annuity computation purposes under the Wisconsin Retirement System.

- b. The member is not eligible for any other group health insurance while employed elsewhere.
 - c. When the member or his/her spouse becomes eligible for any government-sponsored insurance program, the coverage shall be changed to a non-duplicating plan.
6. In the event of a subsequent ineligibility pursuant to Article XII (a)6, or death of a member, spouse, or unemancipated minor children of a member, who had elected conversion credit, any unused principal balance remaining in said member's account shall be paid to such member, spouse, or unemancipated minor children, or to the estate or person legally entitled thereto of such member, spouse, or unemancipated minor children of member as the case may be, within sixty (60) days after application for same is made in writing to the City Finance Director/Treasurer.
7. Said employees shall pay the entire premium for retirees established with the City's insurance carrier to the Finance Director/Treasurer on or before the fifteenth day of the month preceding coverage.
8. Retirees are part of the City health insurance group. Retirees shall have the same benefit level as active employees. Retirees' premium rates shall be the same as active employees.
9. An employee may select from a family, employee plus spouse, employee plus children or single plan at retirement. Said retiree shall be allowed to switch between the family, employee plus spouse, employee plus children or single plan as his/her personal circumstances change. The retiree must notify the City of a change at least thirty (30) days prior to implementation. This provision is subject to availability of this option by the City's carrier and that change from single to family is limited to one (1) per retiree and only in the event his/her spouse loses outside coverage. (See attached Letter of Intent)
10. A surviving spouse is eligible to remain in the City plan.
11. Upon eligibility for Medicare, Medicare benefits will be integrated. The retiree premium rate will be reduced to reflect this integrated program.
12. A retiree shall be defined as any City employee who is eligible for, or is receiving, benefits from programs covered by Chapter 40 of the WI State Statutes.
13. A surviving spouse of a deceased employee with fifteen (15) or more years of continuous service in the Police Department may participate at his or her own expense in any City hospitalization plan covered by this Agreement provided he or she meets the following conditions:
 - a. Marriage to the employee must have been for at least a five (5) year period.
 - b. The surviving spouse remains unmarried.
 - c. The surviving spouse is not eligible for other group insurance.

d. The surviving spouse is not eligible for government-sponsored medical insurance.

(c) Dental Insurance:

The City will provide a free-standing group dental program for which the City will pay eighty-five (85) percent of coverage for all eligible full-time employees in the bargaining unit. Such program will provide coverage as contained in the "Dental Schedule of Benefits" attached hereto as Addendum A or comparable coverage.

(d) Life Insurance:

The City agrees to pay 50% of the member's basic life insurance premium of the Wisconsin Employee Group Insurance Plan or comparable coverage for eligible members of the bargaining unit who have voluntarily choose to participate in said plan.

ARTICLE XIII - WISCONSIN RETIREMENT SYSTEM

Effective January 1, 2015, employees will pay the defined "Employee Contribution" amount established by the WI Department of Employee Trust Funds for Protective Occupation with Social Security.

ARTICLE XIV – UNIFORM ALLOWANCE AND CITY-ISSUED EQUIPMENT

(a) Uniform Allowance:

1. Effective January 1, 2022, each new appointee to the department shall be paid eight hundred fifty dollars (\$850) as and for an initial uniform and equipment allowance. In the event such appointee is terminated or terminates within one (1) year of his/her date of appointment, all equipment and uniforms purchased hereunder shall be returned to the City on date of termination.
2. Such payments shall be made as follows:
 - a. New appointees will receive their allowance payment on the first pay period from the date of hire.
 - b. After a member of the Police Department has completed one (1) year's service, the police uniform and equipment account shall be credited with monies, prorated on the basis of the remainder of the calendar year after completion of said one (1) year's service, applied against the annual allowance.
 - c. The annual uniform and equipment allowance shall be seven hundred twenty (\$720) per year starting in 2022 per Police Supervisor.
 - d. Ballistic Vest. Effective January 1, 2020, each new supervisory appointee to the department shall be paid one thousand dollars (\$1,000) as and for an initial mandatory

ballistic vest reimbursement. Supervisors who adhere to the mandatory ballistic vest wear policy while on patrol during each duty shift will receive an additional annual uniform and equipment allowance payment in the amount of \$200.

e. ERT and Dive Team: Effective January 1, 2010, increase annual uniform allowance by \$100.00 for the ERT and Dive Team.

f. Honor Guard Team: Effective January 1, 2012, Honor Guard Team to receive the \$100.00 increase to uniform allowance.

3. Non-uniformed members of the Association shall receive the same uniform and equipment allowance as uniformed members.

(b) City-issued Equipment:

1. The City shall provide at its expense the following equipment to members of the Association whose duties require them to utilize such equipment:

--shoulder patches	--duty firearms	--handcuffs and case
--collar emblems	--name plates	--police whistles
--off-duty badges		--on-duty badges
--duty belt, holster, cartridge case and flashlight holder		
--Flashlights and pepper spray or such other non-lethal chemical agents as may be approved by the Chief of Police.		

Officers who are regularly assigned to the Tactical Unit shall be provided with all the items enumerated on the Tactical Unit Equipment Check List, in effect at the time of negotiations, to be used for Tactical Unit assignments only.

2. The equipment issued by the department shall be used by said member and must be maintained in good condition and returned to the department when, in the discretion of the Chief of Police, reissue is necessary to keep the equipment in good or working condition.

3. All items of equipment must be returned in good condition when a member of the Association leaves the service of the City. In the event such items are not returned to the City in good condition on such date, the full cost of the articles not so returned shall be deducted from the pay of the member leaving the service of the City.

(c) Loss or Damage:

The City agrees that employees shall not be charged for any loss or damage of City-owned or leased property or materials unless clear proof of maliciousness or a high degree of negligence is shown.

5 (d) Insurance:

6 The City agrees to cover the drivers of all Police Department vehicles with sufficient bodily injury
7 liability and property damage liability insurance to cover any claim against said driver involved in an
8 accident while driving a City-owned or leased vehicle.
9

10 **ARTICLE XV - RESIDENCY**

11

12 (a) Residency: Effective January 1, 2020, all employees shall, as a condition of their employment,
13 establish a permanent residence within a 45-mile radius of the jurisdictional boundaries of the City of
14 Sheboygan within four (4) months of completion of their probationary period and must remain residents
15 throughout their employment within the above described requirement, except for the following:

16 1. The Human Resources Director, with input and/or recommendation of the Chief of Police, may
17 extend the four (4) months to accommodate a hardship with evidence the employee is in the process
18 of securing residency.

19 2. Employees living outside the 45-mile radius of the jurisdictional boundaries as of December 31,
20 2019 may continue to reside at the address of record on December 31, 2019. If such employees change
21 their primary residence during the time of their employment, they may not move further away from
22 the City than their previous residence.

23 3. This residency requirement shall be rescinded and not applicable for members reaching normal
24 retirement age as determined by the Wisconsin Retirement System (presently age 50).
25

26 **ARTICLE XVI - BENEFICIARIES OF AGREEMENT**

27

28 It is agreed that all members of the Police Department who are new appointees to the department and
29 who have not yet completed their initial one (1) year probationary period as new members of the department
30 shall have all the rights and benefits of this Agreement as if they were members of the Association, except
31 where such rights and benefits are expressly limited by specific reference in this Agreement to Association
32 members; and, also, where the rights and benefits afforded members of the Police Department who have not
33 yet completed their initial one (1) year probationary period as new members of the department are expressly
34 limited or conditioned by the terms and conditions of this Agreement by specific reference to this class of
35 employees. Insofar as rights and benefits are afforded to the herein mentioned probationary employees of the
36 department, they shall have the right to enforcement of these rights and benefits as if they were members of
37 the Association.
38
39
40

5 **ARTICLE XVII - AID TO CONSTRUCTION OF PROVISIONS OF AGREEMENT**

6
7 It is intended by the parties hereto that the provisions of this Agreement shall be in harmony with the
8 duties, obligations, and responsibilities which by law devolve upon the Common Council and these provisions
9 shall be interpreted and applied in such manner as to preclude a construction thereof which will result in an
10 unlawful delegation of powers unilaterally devolving upon the Common Council.
11

12 **ARTICLE XVIII - SAVING CLAUSE**

13
14 If any article or section of this Agreement or any addenda thereto as it relates to matters under the
15 exclusive control of the Common Council of the City of Sheboygan shall be held invalid by operation of law
16 or by any tribunal of any competent jurisdiction or if compliance with or enforcement of any article or section
17 shall be restrained by such tribunal, the remaining of this Agreement and addenda shall not be affected thereby
18 and the parties shall enter into immediate conferences for the purpose of arriving at a mutually satisfactory
19 replacement for such article or section.
20

21 **ARTICLE XIX - RESERVATION OF BENEFITS**

22
23 The parties hereto recognize and understand that although it is their intention to reach an entire
24 agreement that there presently exists certain ordinances of the City of Sheboygan which bear on and affect
25 wages, hours, and conditions of employment and which confer rights and benefits upon the members of the
26 Association, which rights and benefits are not included as subjects in this Agreement. Should the City of
27 Sheboygan repeal an ordinance that confers such a right or benefit upon members of the Association, that
28 parties hereto shall enter into immediate collective bargaining conferences for the purpose of arriving at a
29 mutually satisfactory amendment to the Agreement relative to the subject of the repealed ordinance.
30

31 **ARTICLE XX - ENTIRE AGREEMENT**

32
33 (a) This Agreement reached as a result of collective bargaining represents the full and complete
34 Agreement between the parties and supersedes all previous agreements between the parties. It is agreed that no
35 matters shall be open for negotiations during the term of this Agreement, whether or not referred to in this
36 Agreement.
37

38 (b) This Agreement shall be effective upon ratification by the membership of the Association and the
39 Common Council of the City of Sheboygan and shall remain in full force and effect until its expiration
40 December 31, 2023. The parties hereto agree that the Agreement shall be signed as soon after ratification as

practicable. In the event a successor agreement is not arrived at between the parties, the City agrees to continue the wages and fringe benefits as contained herein in consideration for all employees in the Association continuing to perform all their duties and responsibilities without interruption.

Dated at Sheboygan, Wisconsin, this _____ day of _____, 2022.

SIGNATURES ON FILE

FOR THE CITY:

FOR THE SPPOSA

Mayor Ryan Sorenson

Douglas Teunissen

Meredith DeBruin
City Clerk

Kurt Zempel

Christopher Stephen

Alexander Jaeger

James Veaser

LETTER OF INTENT

The following wording regarding the ability of a retired employee to change from a single plan to a family plan was placed in the contract January 1, 2001 and updated in 2018 (adding the limited family option):

“An employee may select either a family or single plan at retirement. Said retiree shall be allowed to switch from single to family or from family to single as his/her personal circumstances change. The retiree must notify the City of a change at least thirty (30) days prior to implementation. This provision is subject to availability of this option by the City’s carrier and that change from single to family/limited family is limited to one (1) per retiree and only in the event his/her spouse loses outside coverage.”

This Letter of Intent is to clarify that wording.

A. This provision will take effect on January 1, 2001. As of that date, this wording shall cover all current retirees and future retirees.

B. The option to change from a single to family/limited family plan can only be implemented once.

C. If a retiree’s spouse has a loss of outside medical coverage from his/her place of employment, the retiree can change his/her City plan from single to family.

1. The spouse can enter unconditionally upon completion of his/her COBRA rights with the previous employer, or
2. The spouse may enter prior to the completion of COBRA with proof of insurability.
3. Should a retiree marry, he/she can change from a single plan to family/limited family if:
 - a. He/she has not already used the one-time single to family provisions previously.
 - b. The spouse is not eligible for employer-sponsored health insurance.
 - c. The spouse is not eligible for COBRA health insurance through a previous employer.
 (Unless he/she provides proof of insurability (see #C.2.).)

D. Definitions.

1. **Loss of outside medical coverage of an employee’s spouse:** Circumstance which leaves spouse without health insurance. Retirement, voluntary termination, involuntary termination, layoff are examples of loss of outside medical coverage.
2. **COBRA.** The current law in effect which requires an employer to offer availability of continued medical insurance in their plan following discontinuation of employment.
3. **Proof of insurability.** A medical examination to assure that there are not existing medical conditions that would be exorbitantly expensive to the City Plan.

III

Res. No. 10 - 22 - 23. By Alderpersons Felde and Filicky-Peneski.
May 2, 2022.

A RESOLUTION authorizing the appropriate City officials to sign the January 1, 2022-December 31, 2023 Contract between the City of Sheboygan and Sheboygan Professional Police Officers' Association.

WHEREAS, representatives from City of Sheboygan management and the Sheboygan Professional Police Officers' Association met to negotiate a renewal to the collective bargaining agreement between them and entered into a Tentative Agreement that set forth the agreed upon terms and changes in the agreement; and

WHEREAS, the rules are being suspended so that this Resolution may be adopted immediately in order to finalize the contract as soon as possible.

NOW, THEREFORE, BE IT RESOLVED: That the Common Council hereby authorizes the appropriate City officials to sign the January 1, 2022-December 31, 2023 Contract between the City of Sheboygan and Sheboygan Professional Police Officers' Association, a copy of which is attached hereto and incorporated herein.

Suspend
Adopt

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

Dated _____ 20____. _____, City Clerk
Approved _____ 20____. _____, Mayor

Res. No.

CITY OF SHEBOYGAN

2022-2023

AGREEMENT

SHEBOYGAN PROFESSIONAL POLICE OFFICERS' ASSOCIATION

A

AGREEMENT	6
Agreement on Behalf of Association	7
Agreement on Behalf of the City	7
AID TO CONSTRUCTION OF PROVISIONS OF AGREEMENT	39
Association Activity	10

B

BENEFICIARIES OF AGREEMENT	39
Bereavement Pay	27

C

Call-Out Pay	22
City-Issued Equipment	37
Compensatory Time	20
Compensatory Time/Use of Compensatory Time Off	20
Conditions and Duration of Agreement	7
Consideration	6
Consolidation	9
Cooperation	9
Court Cancellations	23

D

Deferred Comp	35
Definition Retiree	33
Dental Insurance	35
Dental Schedule/ADDENDUM B	41
Dental/ORAL SURGERY	42
Direct Deposit	16
Disciplinary interviews	13
Drug Screening	32
Dues Deduction	10
Duty-Incurred Disability Pay	23

E

ENTIRE AGREEMENT	40
-------------------------------	-----------

F

Flexible Benefits Plan	32
-------------------------------------	-----------

G

Good Attendance Example/Addendum No. 1	45
Good Attendance/Retirement Bonus Program	33
Grievance Provisions	11
Grievance/Steps in the Grievance Procedure.....	12

H

Health Insurance.....	32
Health Insurance/Surviving Spouse	35
Holidays	26

K

K9 Handler Compensation.....	25
-------------------------------------	-----------

L

Letter of Intent	46
Life Insurance.....	35
Longevity Pay	22
Loss or Damage	38
Lunch Period	19

M

MANAGEMENT RIGHTS.....	9
Military Leave/Active Service.....	28
Military Reserve Training.....	28

N

Negotiations	7
Non-Discrimination.....	7

O

Overtime	19
Overtime Compensation.....	20
Overtime Accrual - Compensatory Time	20

Overtime Assignment/On-duty Assignments	20
Overtime/Circumstances under which paid	20
Overtime/No Pyramiding, Duplication or Compounding	20

P

Pay Plan	15
Physical Examinations	31
Probationary Period	8
Promoted	22
Promotion/Entrance Rate	22

R

Rates of Pay	16
Recognition	8
Report Time	21
RESERVATION OF BENEFITS	39
RESIDENCY	38
Retiree Insurance Credit	34

S

SAVING CLAUSE	39
SENIORITY	14
Seniority/Dismissals and Re-Employment	15
Seniority/For Purposes of Layoff and Continuity of Service	14
Severance Pay	24
Severance Pay/Upon Retirement, Layoff Without Cause	24
Severance Pay/Upon Voluntary Termination	24
Shift Premium	19
Sick Leave Pool	28
SICK LEAVE	28
Sick Leave/Other Uses	29
Special Event Assignments	21
SPECIAL LEAVE	28
STRIKES AND LOCK-OUTS	38

T

Timetable and Notices	7
TRAINING AND PHYSICAL FITNESS	30
Training/Required	30
Training/In-Service	31
Training/Other Job-related	31

Training/Police Training Officer	25
Two-Week Holdback Pay System	16

U

Uniform Allowance	36
Uniform Allowance/City-issued Equipment.....	37
Uniform Allowance/Mandatory Ballistic Vest Wear Policy	36
Uniform Allowance/Non-Uniformed Members.....	37
Unit of Representation.....	8

V

Vacation	25
-----------------------	-----------

W

Wisconsin Retirement System	36
WITNESSETH.....	6
Work Schedule	17

AGREEMENT

THIS AGREEMENT, made and entered into at Sheboygan, Wisconsin, by and between the CITY OF SHEBOYGAN, a municipal corporation, as municipal employer, hereinafter referred to as "CITY," and the SHEBOYGAN PROFESSIONAL POLICE OFFICERS ASSOCIATION, as the representative of certain employees who are employed by the City of Sheboygan in the Police Department, hereinafter referred to as "ASSOCIATION."

WITNESSETH:

WHEREAS, both of the parties to this Agreement are desirous of reaching an amicable understanding with respect to the employer-employee relationship which exists between them and to enter into a complete Agreement covering rates of pay, hours of work, and conditions of employment; and

WHEREAS, the parties do hereby acknowledge that this Agreement is the result of the unlimited right and opportunity afforded to each of the parties to make any and all demands and proposals with respect to the subject of rates of pay, hours of work, and conditions of employment, and incidental matters respecting thereto; and,

WHEREAS, it is intended that the following Agreement, implemented pursuant to the provisions of Section 111.70 Wisconsin Statutes shall be consistent with that legislative authority which devolves upon the Common Council of the City of Sheboygan, the Federal laws and regulations, the Wisconsin Statutes, and insofar as applicable, the rules and regulations relating to or promulgated by the Police and Fire Commission and the Chief of Police; and

WHEREAS, it is intended by the provisions of this Agreement that there be no abrogation of the duties, rights, obligations, or responsibilities of any agency, board, commission, or department of City government, which is now expressly provided for respectively either by Federal laws and regulations, State Statutes, charter ordinances and ordinances and resolutions of the City of Sheboygan except as expressly limited herein; and

WHEREAS, it is intended by the parties hereto that the employer-employee relationship that exists now and has heretofore existed by and between the members of the Association and the City, shall continue to be the same in the event this contract is terminated or by virtue of its terms, becomes terminated.

ARTICLE I

(a) Consideration: The consideration for the execution of this binding Agreement is the covenants mutually expressed herein and arrived at by the parties hereto.

1 **(b) Agreement on Behalf of Association:** The Association hereby and herewith covenants, agrees, and
2 represents to the City that the Association is duly authorized and empowered to covenant for and on behalf of all
3 members of the bargaining unit and represents that it and its members will faithfully and diligently abide by and
4 be strictly bound to all of the provisions of the Agreement as herein set forth. The parties agree that in conferences
5 and negotiations, the Association will represent all members of the bargaining unit.

6
7 **(c) Agreement on behalf of the City:** The City hereby and herewith covenants, agrees, and represents
8 to the Association that the City, under the express limitations of this Agreement, is duly authorized and empowered
9 to covenant for and on behalf of the City and for itself represents that it will faithfully and diligently abide by and
10 be strictly bound to all of the provisions of this Agreement as herein set forth.

11
12 **(d) Non-discrimination:** The parties agree that their respective policies will not violate the rights or
13 discriminate against any employee covered by this Agreement because of sex, creed, color, age, national origin,
14 association, affiliation, or non-association, or in the application or interpretation of the provisions of this
15 Agreement.

16
17 **(e) Conditions and Duration of Agreement:** This Agreement reached as a result of collective bargaining
18 represents the full and complete agreement between the parties and supersedes all previous agreements between
19 the parties. The parties acknowledge that during the negotiations which resulted in this Agreement, each had the
20 unlimited right and opportunity to make demands and proposals with respect to any subject as provided by Wisconsin
21 Statutes 111.70 and that the agreements arrived at by the parties after the exercise of that right and opportunity are
22 set forth in this Agreement.

23
24 This Agreement shall remain in full force and effect until its expiration date December 31, 2023.

25
26 **(f) Negotiations:** Either party to this Agreement may select for itself such negotiator or negotiators for
27 purposes of carrying on conferences and negotiations under the provisions of Section 111.70, Wisconsin Statutes, as
28 such party may determine subject to the limitations under Article I (g) 4. No consent from either party shall be
29 required in order to name such negotiator or negotiators.

30
31 **(g) Timetable and Notices:**

32
33 **1.** Conferences and negotiations shall be carried on by the parties hereto, in 2023 beginning one hundred
34 and twenty (120) calendar days prior to the expiration of this Agreement.

1 2. All written notices sent by the Association to the City requesting negotiations shall be directed to
2 the Mayor and the Common Council.

4 **3.** All written notices sent by the City to the Association requesting negotiations shall be directed to the
5 President of the Association.

7 **4.** The Association shall advise the City and the Chief of Police of the names of Association members
8 named to its negotiating committee sufficiently in advance of the regularly scheduled bargaining meetings so
9 as to permit scheduling for continuity of operations within the department. The negotiating committee of the parties
0 hereto shall consist of no more than five (5) members each.

12 ARTICLE II

4 **(a) Recognition:** The City recognizes the Association as the exclusive bargaining agent of the bargaining
5 unit for the purposes of engaging in conferences and negotiations with the City on the subject of wages, hours,
6 and conditions of employment. The bargaining unit shall consist of all full-time employees in the following
7 classifications: Detective and Police Officer.

9 (b) Probationary Period:

21 1. Effective June 1, 2003, all new full-time employees of the Police Department shall serve a minimum
22 probationary period of eighteen (18) months, uninterrupted by any type of service break, during which time they will
23 be termed "probationary employees."

25 2. Probationary employee's service may be terminated at any time by the Chief of Police, in his/her sole
26 discretion, and neither the employee so terminated nor the Association shall have recourse over such termination.

3. After an employee of the Police Department has successfully completed his/her probationary period of employment, he/she shall become a regular full-time employee of the department, and he/she shall be placed on the seniority list as of his/her date of hire as a new employee of the department.

32 (c) **Unit of Representation:** In the event new positions not now covered by the recognition provision of
33 this Agreement are created by the City through action of the City Council, and said positions would be embraced
34 within the bargaining unit, provided the parties agree that the new position should be embraced within the bargaining
35 unit, then the employees appointed to such positions shall be deemed part of the bargaining unit and shall be

1 represented by the Association, and they shall also be covered by the Agreement between the Association and the
2 City.

3
4 **(d) Cooperation:** The Association recognizes its responsibility to cooperate with the City to assure
5 maximum service at minimum cost to the public consonant with its obligations to the employees it represents.

6
7 **(e) Consolidation:** In the event a consolidation occurs in the City, between City and/or County law
8 enforcement departments, or units thereof, the employees of which are in part or in whole within a recognized
9 bargaining unit, and such consolidation results in combining of employees in a department who were members of
10 more than one bargaining unit, then a new election shall be requested of the Wisconsin Employment Relations
11 Commission. The certified representative as determined by the Wisconsin Employment Relations Commission
12 pursuant to the election shall assume the contractual obligations of each and every consolidated unit as if no
13 consolidation had occurred until the expiration of the existing contract or agreement.

14 15 **ARTICLE III - MANAGEMENT RIGHTS**

16
17 **(a)** The Association recognizes the rights of the City, the Police and Fire Commission, and the Chief of
18 Police to operate and manage their affairs in all respects in accordance with the laws of the State of Wisconsin,
19 ordinances of the City of Sheboygan, and the Constitution of the United States.

20
21 **(b)** The Association recognizes the exclusive right of the Chief of Police to establish reasonable department
22 rules and regulations in accordance with the laws of the State of Wisconsin, ordinances of the City, and the
23 Constitution of the United States.

24
25 The Association recognizes the rights of the Chief of Police to promulgate reasonable rules and regulations
26 for the Sheboygan Police Department; however, the City of Sheboygan agrees that all new rules and regulations,
27 regarding mandatory subjects of bargaining, shall be submitted to the Association thirty (30) days prior to
28 implementation, with a copy sent to the Association's bargaining representative. Nothing herein shall preclude the
29 Chief from promulgating work rules and S.O.P.'s for emergency purposes so that the thirty (30) day notice is not
30 required.

31
32 **(c)** The Association recognizes the exclusive right of the Chief of Police to direct and supervise the work
33 of the employees in the department, and to hire, promote, transfer, or discipline for just cause these employees, to
34 determine work schedules, to determine the methods, means, and personnel by which work is to be conducted, and
35 the level and type of services offered, and the quality of work required.

1 (d) The Association pledges cooperation to the increasing of departmental efficiency and effectiveness.
 2 Any and all rights concerning the management and direction of the Police Department and the police force shall be
 3 exclusively the right of the City, the Police and Fire Commission, and the Chief of Police unless otherwise provided
 4 by the terms of this Agreement as permitted by law.

6 ARTICLE IV

8 (a) Association Activity:

10 1. No Association member or officer shall conduct any Association business on City time except
 11 as specified in this Agreement. Up to three (3) representatives of the Association shall be permitted a total of two
 12 (2) hours per month for the regular Association Officers' meeting provided that permission is first obtained from
 13 the Chief or his/her designated representative and collectively permitted up to a maximum of forty-eight (48) hours
 14 per calendar year representing employees in the grievance procedure at a time and place designated by the Chief
 15 or his/her designated representative. All such time so spent and authorized shall be without loss of pay in the event
 16 that such time occurs during normal duty hours. Permission shall not be unreasonably denied.

18 2. A reasonable attempt shall be made to conduct negotiations outside of the regularly scheduled work
 19 hours of designated Association representatives insofar as is practical. If such meetings are not conducted outside
 20 the regularly scheduled work hours, the period of time such Association representatives shall be present at such
 21 meetings shall not be deducted from their pay. Said pay shall apply to no more than three (3) of such representatives.
 22 Under no circumstances will payment be made for time spent outside the regularly scheduled workday or workweek.

24 (b) **Dues Deduction:** The City agrees to deduct from the wages of any Association member all Association
 25 membership dues and fees uniformly required by the Association. Employees who disagree with how the Association
 26 spends money for political or ideological purposes are entitled to a rebate for monies thus spent pursuant to law
 27 as stated by the United States Supreme Court. Such per capita rebate may be obtained by requesting same in a
 28 letter to the Treasurer of the Association. The City also agrees to continue the practice of deducting voluntary
 29 employee deductions from the wages of employees of the department, including but not limited to credit union
 30 deductions, United Fund deductions, bond and insurance deductions, and such other deductions of a similar nature
 31 as are now being deducted. The Association agrees to indemnify and hold the City harmless against any and all
 32 claims, suits, orders, or judgments brought or issued against the City as a result of any action taken or not taken
 33 by the City under the provisions of this Article.

1 **ARTICLE V**

2

3 **(a) Grievance Provisions:**

4

5 1. A grievance under this Agreement is a written claim arising under and during the terms of this Agreement,
6 initiated as set out below by the aggrieved person or persons and the subject matter of said grievance shall be limited
7 to the interpretation, application, or enforcement of the terms of this Agreement.

8

9 2. Both the Association and the City recognize that grievances and complaints shall be settled promptly
10 and at the earliest possible time and step.

11

12 3. Class grievances involving the general interpretation, application, or enforcement of the terms of this
13 Agreement shall be initiated by the Association at Step 2 of this procedure.

14

15 4. The person or persons having the grievance may have a representative of the Association to represent
16 them without loss of pay at any step in the procedure. However no individual hearing a grievance need recognize
17 more than one (1) representative in addition to the employee or employees having the grievance, except that in
18 Step 3, set out below in Section (c), Subsection 3, two (2) representatives in addition to the person or persons
19 having the grievance may be present.

20

21 5. The individual hearing the grievance shall determine the time and place for such hearing within the time
22 limits described in this article.

23

24 6. Departure from the steps of the procedure or change in time limits may be made with permission of
25 the Chief or his/her designated representative upon request of either party when mutually agreed to by the Chief
26 and the aggrieved party and his/her representative.

27

28 **(b) Items Exempt From Consideration for Processing Under This Procedure Include the Following:**

29

30 1. Disciplinary actions, job classifications, promotional procedures as are provided by Section 62.13,
31 Wisconsin Statutes, or any other matter provided for in that statute. With regard to the foregoing matters, Section
32 62.13, Wisconsin Statutes, will apply rather than the grievance procedure.

33

34 2. Department operations, including orders given, response to such orders, and the carrying out of
35 required duties, except as otherwise provided by this Agreement.

36

1 **(c) Steps in the Grievance Procedure:**

2
3 **1. Step 1:** All grievances shall be initiated within ten (10) days of the date of the alleged violation, or
4 within ten (10) days of when a prudent person should have reasonably known of such alleged violation, or it shall
5 be considered invalid. The aggrieved person shall discuss the grievance orally with his/her shift supervisor within
6 said ten (10) day period. The shift supervisor shall give a verbal response to the aggrieved within four (4) days of
7 said discussion.
8

9 **2. Step 2:** If the aggrieved employee decides the reply of the shift supervisor is unsatisfactory, the
10 aggrieved employee, or Association representative, may within ten (10) days of the supervisor's response
11 submit the grievance in writing to his/her Captain, or his/her duly designated representative, with a copy to the Chief.
12 The grievance shall set forth the date of the alleged violation, the article and section of the contract that is claimed
13 violated, the facts of the grievance, and the relief sought. Up to two (2) Captains shall within ten (10) days of
14 receipt of the written grievance hold an informal meeting with up to two (2) Association representatives. Either
15 party may invite up to two (2) aggrieved employees to the meeting for the purpose of presenting and explaining the
16 facts of the grievance. The aggrieved employee(s) shall be excused after presenting the facts and answering questions
17 of the Association representative and management representative. The Captain, or his/her designated representative,
18 shall, within seven (7) days of the meeting, furnish the Association representative with a written response either
19 granting or denying the grievance, and the reason for such decision, with a copy to the Chief.
20

21 **3. Step 3.** The grievance shall be considered settled at Step 2 unless the Association representative appeals
22 the grievance in writing to the Chief, or his/her designated representative, within ten (10) days after the written
23 answer to Step 2. The Chief, or his/her designated representative, shall hold a meeting within twelve (12) calendar
24 days if deemed necessary, and shall reply in writing within ten (10) days after the presentation of the grievance at Step
25 3, or after the meeting, if held. A copy of the written response shall be distributed as provided in Step 2 above. The
26 decision of the Chief of Police shall be final on all matters pertaining to the Police Department operation, except as to
27 rights granted by this Agreement.
28

29 **4. Step 4:** If a timely written grievance, limited to the interpretation, application, or enforcement of the
30 express terms of this Agreement has not been disposed of as aforesaid to the satisfaction of either party, the
31 City or the Association representative, no later than ten (10) days after receipt of the answer to the grievance
32 under Step 3, above, may request arbitration as the sole remedy of said dispute before an impartial arbitrator. A
33 copy of such request shall be forwarded to the other party (the Director of Human Resources and Labor Relations or
34 the Association representative).
35

1 The selection of an impartial arbitrator shall be as follows: The City or the Association representative will request the
 2 Wisconsin Employment Relations Commission to provide a panel of five (5) persons as candidates for the arbitrator.
 3 After such panel of names is received, the Director of Human Resources and Labor Relations, or his/her designee, and
 4 the Association representative shall alternately eliminate names from such list until one name remains, with the
 5 appealing party making the initial elimination. Such remaining person shall then become the arbitrator.

6
 7 The Arbitrator shall first determine whether the dispute is arbitral under the express terms of this Agreement.
 8 Once it is determined that the dispute is arbitral, the arbitrator shall proceed to determine the merits of the dispute
 9 submitted to arbitration. The arbitrator shall be limited to the terms of this Agreement as written and shall have no
 10 power to modify, amend, add to, or subtract from the language of the Agreement in arriving at a determination of any
 11 issue presented to him/her for arbitration within the limitations expressed herein. The decision of the arbitrator
 12 shall be final and binding on both parties.

13
 14 The expenses for the services of the impartial arbitrator and proceedings shall be borne by the party
 15 whom the decision is rendered against; however, each party shall be responsible for compensating its own
 16 representatives, witnesses, and such other expenses incurred in the process of selecting an arbitrator and during
 17 the arbitration process.

18
 19 Notwithstanding any other provision to the contrary, nothing contained herein shall preclude the parties
 20 to this contract from applying the provisions of Section 62.13 of the Wisconsin Statutes with respect to all matters
 21 contained therein and nothing contained in said Section 62.13, Wisconsin Statutes, shall be subject to arbitration.

22
 23 **(d) Disciplinary interviews:**

24
 25 Employees involved in disciplinary interviews and/or investigations regarding alleged violation of
 26 department rules and regulations will be granted the following rights:

- 27
 28 1. To be notified of a name and official capacity, if any, of all persons present during said interview(s).
 29
 30 2. To be notified of the nature of the questioning before any questions are directed to the officer.
 31
 32 3. To have present another member or attorney of his/her choosing during said interview(s), if requested.
 33
 34 4. To refuse to answer any questions if any of the above rights are denied to him/her.
 35
 36 5. To be notified if any conversation is being recorded at said interview(s).

6. To have access to personnel record inspections in accordance with State Statute 103.13.

7. To be governed by State Statute 942.06 regarding polygraph tests.

(e) Grievances of cases involving discipline:

1. The employer shall not discharge or otherwise discipline any officer without just cause. Discharge or other discipline shall be by written notice to the officer and to the union. Such notice shall state the reason for the disciplinary action and shall be provided to the officer and union no later than the effective date of the action.

2. A dispute concerning discharge or discipline, including removal, suspension, reduction in rank and suspension and reduction in rank, and any other discipline of any kind, shall be processed through the statutory procedures in Wis. Stats. Sec. 62.13.

3. No officer shall be subject to discipline except for violation of an order, applied in an evenhanded manner without discrimination, and of which the officer had notice, following a fair and impartial investigation that uncovers proof sufficient to substantiate both the charge made and the reasonableness of the penalty.

ARTICLE VI - SENIORITY

For purposes of layoff and continuity of service:

(a) Length of service for the purpose of this article is to be measured from the original date of hire in the Police Department, unless otherwise specified herein.

(b) Seniority shall be broken and employment terminated for any of the following reasons:

1. The employee retires, or

2. The employee resigns from the police service, or

3. The employee is discharged and the discharge is not reversed, or

4. The employee is not recalled from layoff for a period of two (2) years, or

5. The employee is recalled from a layoff and does not report for work within three (3) calendar weeks, or

1 6. The employee does not return at the expiration of a leave of absence, or

2
3 7. The employee gives a false reason in requesting a leave of absence or engages in other full-time
4 employment without authorization during such leave of absence, or

5
6 8. The employee knowingly falsified information on his/her application for employment material to his/her
7 employment status, or

8
9 9. A settlement with the employee has been made for total disability under the Worker's Compensation Act.

10
11 (c) A member of the Police Department shall be deemed to have continuous service with the department
12 unless his/her seniority be broken as set forth in Section (b) above, and except if he/she shall be absent without leave
13 in excess of three (3) workdays in any calendar month.

14
15 (d) As to all other matters relating to seniority, Chapter 62.13, Wisconsin Statutes, shall apply.

16
17 **(e) Dismissals and reemployment:**

18
19 1. When it becomes necessary, because of need for economy, lack of work or funds, or for other just causes,
20 to reduce the number of subordinates, the emergency, special, temporary, part-time, or provisional subordinates, if
21 any, shall be dismissed first, and thereafter subordinates shall be dismissed in the order of the shortest length of
22 service in the department.

23
24 2. When it becomes necessary for such reasons to reduce the number of subordinates in the higher
25 positions or offices, or to abolish any higher positions or offices in the department, the subordinate or subordinates
26 affected thereby shall be placed in a position or office in the department less responsible according to his/her
27 efficiency and length of service in the department.

28
29 3. The name of a subordinate dismissed for any cause set forth in this section shall be left on an eligible
30 reemployment list for a period of two (2) years after date of dismissal. If an approved vacancy occurs, or if the
31 number of subordinates is increased in the department, such vacancy or new positions shall be filled by persons on
32 such list in the inverse order of the dismissal of such persons, providing said officer can pass the pre-employment
33 physical examination.

ARTICLE VII

(a) Pay Plan: Wages of bargaining unit members shall be paid biweekly. The administration of the pay plan shall be in accordance with the salary and wage ordinances, and the City reserves the right to make correction of clerical errors to the salary and wage ordinances if any are found.

1. Direct Deposit. Effective January 1, 2000, all wage payments made by the City of Sheboygan to members of the collective bargaining unit will be by means of direct deposit.

2. Two-Week Holdback Pay System. In 2010, the City and the Union agreed to standardize the payroll system to make pay periods based on a two-week holdback.

(b) Rates of pay:

1. The parties agree that the wages paid to bargaining unit members covered by this Agreement shall be increased as follows, in accordance with the applicable salary and wage ordinances of the City of Sheboygan, and any appropriate amendments, and the pay schedules for members of the Police Department hereto attached as Appendix A to this Agreement.

2. All bargaining unit members working a 5-3 work schedule for Steps 1 through 5 will be rounded off so that the biweekly pay is divisible by 77.48 hours in even cents per hour. For all bargaining unit members working a 5-3/5-2 or 5-2/ 5-2/ 4-3 or variant of that work schedule for Steps 1 through 5 rounded off so that the biweekly pay is divisible by 77.96 hours in even cents per hour. A 2022 wage increase of two and one-half (2.5) percent effective January 1, 2022. A 2023 wage increase of one (1.0) percent effective January 1, 2023, and two (2.0) percent on the 15th payroll in 2023.

3. Education credit: Effective January 1, 2019 the lump sum educational payments were discontinued and transitioned to an additional hourly amount being added to the pay schedule. This was done by creating separate pay schedules for Police Officers, Police Officers with Associate Degrees (additional \$0.20 per hour) and Police Officers with Bachelor's Degree (additional \$0.35 per hour); as well as for Detectives, Detectives with Associate Degrees (additional \$0.20 per hour), and Detectives with Bachelor's Degree (additional \$0.35 per hour). The additional amount was added to the hourly pay of the schedule at all steps in the schedule.

Employees hired prior to 1/1/2012 with 60 college credits on 1/1/2021 will receive pay on the Associate Degree schedule. Employees earning a degree are placed in the appropriate schedule upon hire or during the first pay period of the new year following their being awarded the degree. The department will provide a list of employees newly eligible to payroll in December of each year. The employee must notify the department and provide documentation upon being awarded a degree.

(c) Work Schedule:

1. The normal workday schedule for members working a 5-3 work schedule and such members of the department that the Chief of Police shall deem advisable to be included herein, shall be as follows:

1 increment of 5 days on and 3 days off, of which:

Days 1 and 2 shall be eight and thirty-three hundredths (8.33) hours of work each

Day 3 shall be ten and eighty-three hundredths (10.83) hours of work

Days 4 and 5 shall be eight and thirty-three hundredths (8.33) hours of work each

Three (3) days off.

Then repeat cycle.

2. All other members of the bargaining unit not assigned to the work schedule set forth in subsection 1 above shall work such duty hours as the Chief of Police may prescribe pursuant to the thirty-eight and ninety-eight hundredths (38.98) hour average week limitation and overtime benefits, with a work schedule as follows:

1 increment of five (5) days on and two (2) days off,

1 increment of five (5) days on and three (3) days off,

Then repeat the cycle.

Or

1 increment of five (5) days on and two (2) days off,

1 increment of five (5) days on and two (2) days off,

1 increment of four (4) days on and three (3) days off,

Then repeat the cycle.

Or a variation of the above 21 day cycle as shown in the table below with the rotation for groups 1-3 beginning on Monday and group 4 beginning on Tuesday.

WORK CYCLE	GROUP 1	GROUP 2	GROUP 3	GROUP 4
1	5-2	5-2	4-3	4-2
2	5-2	4-3	5-2	5-2
3	4-3	5-2	5-2	5-3

1 Should any state or federal law or regulation result in the work schedule being in excess of permissible
2 straight-time hours which results in an increase in the financial benefit to any employee, the parties hereto agree to
3 immediately negotiate a revised schedule to adjust said excess.
4

5 3. Temporary changes can be made in the schedule by the Chief of Police when in his/her judgment it
6 would be in the best interest of the public protection.
7

8 4. Changes in duty days off may be made between employees within the duty schedule of an employee
9 when said changes, in the judgment of the Chief or his/her designated representative, will not hinder the efficient
10 operation of the department and said changes are approved by the Chief or his/her designated representative at least
11 one (1) day prior to the change in duty schedule. The City shall have no liability for overtime payment because of
12 changes in duty hours set forth in this provision. All trades of duty days must be repaid by December 31 of the year
13 in which they occur.
14

15 5. Police personnel covered under this agreement may be permitted to accumulate reserve days
16 not to exceed three (3) in number when in the judgment of the Chief or his/her designated representative said
17 changes do not interfere with the efficient operation of the department. The City shall not be liable for any overtime
18 or other additional payments as a result of changes in duty hours.
19

20 Said request shall be made at least one (1) day but in no event more than three (3) months prior to
21 the change in duty schedule. A maximum three (3) month repayment period is allowed, provided such repayment has
22 been completed by December 31 of the year in which they occur.
23

24 6. Police personnel covered under this agreement and assigned to the 5-2/ 5-2/ 4-3 schedule or
25 variant of may be permitted to accumulate reserve days not to exceed six (6) in number when in the judgment of
26 the Chief or his/her designated representative said changes do not interfere with the efficient operation of the
27 department. The City shall not be liable for any overtime or other additional payments as a result of changes in duty
28 hours.

29 Said request shall be made at least one (1) day but in no event more than six (6) months prior to the
30 change in duty schedule. A maximum six (6) month repayment period is allowed, provided such repayment has been
31 completed by December 31 of the year in which they occur.
32

33
34 7. Effective May 3, 2018, new members hired who are not certifiable because they have not graduated
35 from an academy in the State of Wisconsin within the last three years, and are not eligible for any of the State's

reciprocity programs, shall follow an "Academy Wage Schedule" for a period of 20 weeks to cover orientation and academy training. During this time, the wage rate shall be that which is identified in the Academy Wage Schedule, with a maximum of 40 (forty) hours per week, 5 (five) days per week, including a reimbursement for meals to match reimbursement from 3rd party. In the event a member transitions to "Step 1" of the regular wage schedule during a pay period, the member shall receive the higher wage rate for the entire pay period.

(d) Shift Premium: Shift premium pay shall be applicable to employees who are regularly assigned to an afternoon or night shift as hereinafter defined. Temporary rescheduling of shifts for less than three (3) calendar months shall not be considered in computing premium pay.

1. Effective January 1, 2010, employees regularly assigned to a shift falling between the hours of 3:00 p.m. and 3:00 a.m. shall be deemed working the afternoon shift and will receive \$30.00 biweekly.

2. Effective January 1, 2010, employees regularly assigned to a shift falling between the hours of 8:00 p.m. and 8:00 a.m. shall be deemed working the night shift and will receive \$35.00 biweekly.

3. The union maintains the right to negotiate the dollar amounts indicated in the above sections.

(e) Lunch Period: If requested, the City shall permit a lunch period of thirty (30) minutes. Lunch periods and breaks may be delayed or re-scheduled at the discretion of the shift supervisor, and shall not be unreasonably denied.

(f) Overtime:

1. **Circumstances under which paid:** Overtime shall be paid under the following conditions:

a. When the employee performs work in excess of either the regular workday (8.33 hours) including report time or the extended workday (10.83 hours) as set forth in Section (g) below or in excess of one hundred seventy-one (171) hours in the twenty-eight (28) day work period established pursuant to the Section 7K exemption of the Fair Labor Standards Act.

b. When the employee's daily schedule is temporarily changed at the request of management and results in the employee performing work in excess of eight and thirty-three hundredths (8.33) hours in any twenty-four (24) hour period, excluding report time as set forth in Section (g) below. (Said twenty-four (24) hour period commences when the employee begins work.)

1 The extended work day shall not be used to implement this subsection [(f) 1.b.]. Commentary: The extended
2 work day shall not be overtime nor cause additional overtime to be accrued.

3
4 The extended work day shall never influence the 24-hour overtime standard.

5
6 **2. Overtime Compensation:** Compensation for overtime work shall be paid at the rate of one and one-half
7 (1-1/2) times the regular rate of pay as provided below except that members of the bargaining unit working overtime
8 on a holiday as defined in Article VIII(b)(3) shall receive two (2) times their regular rate of pay for said holiday
9 time work beyond the 8.33 hour workday or beyond the extended workday of 10.83 hours.

10
11 **3. Overtime Accrual - Compensatory Time:** All overtime pay shall be accumulated as compensatory time
12 off subject to the limits imposed by the Fair Labor Standards Act. Any employee who has accrued the maximum
13 amount of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation at
14 the applicable rate. Compensatory time available to an employee shall be reflected by records kept by the
15 department and shall be paid to the bargaining unit member as overtime pay at the rate of one and one-half (1-1/2)
16 times the applicable rate as required by law bi-weekly. Effective January 1, 2018, members of the bargaining unit will
17 be permitted to retain 80 hours of compensation time. After that, all overtime hours will be paid out as earned. All
18 accumulated compensatory time will be paid out on the last payroll of the year at current rate of pay. Members who
19 wish to have earned compensatory time paid prior to the last payroll of the year shall complete a "sellback request"
20 available through the department's automated scheduling and payroll system. Sellback requests must be completed in
21 full-hour increments. The sellback request shall include the number of compensatory time hours the employee wishes
22 to have paid. The sellback request will be forwarded to payroll and will be paid on the following pay period. Members
23 who wish to participate in a bi-weekly payout and not accumulate their overtime must sign-up each year for this option
24 (sign-up forms will be distributed by payroll in December of each year).

25
26 **4. Use of Compensatory Time Off:** Members of the bargaining unit may take compensatory time off for
27 which overtime is required by this section in lieu of overtime cash payments. Requests for compensatory time off
28 must be approved by the Chief of Police or his/her designee. Compensatory time off will not be granted during a
29 period of unusual manpower need or if the granting of such time would unduly disrupt the operation of the department
30 as determined by the Chief or his/her designee. "Compensatory time" or "compensatory time off" is defined to mean
31 hours during which an employee is not working, which are not counted as hours worked during the applicable
32 workweek or other work period for purposes of overtime compensation, and for which the employee is compensated
33 at the employee's regular rate.

34
35 **5. No Pyramiding, Duplication or Compounding:** Application of provisions contained in this section shall
36 not involve pyramiding, duplicating, or compounding of overtime.

1
2 **6. Overtime Assignment.** On-duty Assignments. At the discretion of the Chief of Police, or his designee,
3 overtime opportunities for on-duty police assignments may be posted in advance in the Captain's Office for the purpose
4 of filling staffing needs. Assignments will be decided under the following guidelines.

- 5
6 (1) First, by shift-specific seniority. The most senior Officer assigned to the respective shift who signs up
7 for the posted overtime will receive the assignment.
8 (2) Second, by seniority within the Patrol Division. If no shift Officers sign up for the posted overtime, the
9 assignment will be awarded to the most senior Officer, regardless of shift.
10 (3) Third, by seniority within the Bargaining Unit, to include Detectives.
11 (4) Fourth, if no Officers volunteer for the posted overtime, members of the Supervisory Association may
12 volunteer.
13 (5) Finally, by Supervisory assignment. Officers will be assigned according to the established past practice
14 of utilizing the previous shift Officer for the first half of the shift, and the following shift Officer for the
15 second half of the shift. (Example: volunteers do not fill 1500-1900 and 1900-2300 postings. The least
16 senior Shift #1 Officer would be assigned 1500-1900, while the least senior Shift #3 Officer would be
17 assigned 1900-2300.) Supervisors will not assign Officers who are working their extended (10.5) day, on
18 their regular day off, or have been called in early.

19
20 It will be the Officer's responsibility to check the shift board in the Captain's Office for available overtime postings.
21 At the close of the sign-up period, overtime assignments will be posted on the respective shift boards. Officers who
22 volunteer have the responsibility to verify if they have received the assignments they may have selected. Shift
23 Supervision will notify Officers who have been assigned when no one volunteers for a specific posting.

24
25 Overtime postings shall be in increments of four (4) hours or less. Supervision retains the right to cancel assignments
26 if circumstances dictate that the Officer is not needed. All posted overtime assignments, whether voluntary or assigned,
27 will be finalized at least forty-eight (48) hours in advance. Officers will not be compensated for canceled overtime or
28 calling in sick for a scheduled overtime assignment.

29
30 **7. Special Event Assignments.** In addition, overtime opportunities may exist for special events (e.g. Brat
31 Days, Lakefest, July 4th Celebration, etc.). Assignments will be made under the following guidelines:

- 32 (1) First by exclusive seniority of all members of the Bargaining Unit, to include Detectives.
33 (2) Second, if no Officers volunteer for the posted overtime, members of the Supervisory Association may
34 volunteer.
35 (3) Finally, by Supervisory assignment, following the established past practices relating to such assignments.

1 **(g) Report Time:** Each member of the bargaining unit will be required to report to work twenty (20)
 2 minutes prior to the beginning of each shift for roll call training, briefing, and other duty assignments. In addition
 3 to above, effective June 5, 2002, Detectives will be required to report to work an additional ten (10) minutes prior to
 4 the beginning of each shift for roll call training, briefing, and other duty assignments, which shall be reported on the
 5 timecard and compensated at the regular rate of pay.

6
 7 **(h) Longevity Pay:** All members of the bargaining unit whose performance is satisfactory shall receive
 8 longevity pay according to the schedule in Subsection 1. Such longevity pay shall be paid commencing on the first full
 9 regular pay period following entitlement thereto:

10
 11 **Step 6.** After five (5) years' continuous service and one (1) year at maximum rate, an addition of one and one-
 12 half (1.5) percent added to Step 5.

13
 14 **Step 7.** After ten (10) years' continuous service and one (1) year at maximum rate, an additional (one and
 15 one-half (1.5) percent for a total of three (3) percent added to Step 5.

16
 17 **Step 8.** After fifteen (15) years' continuous service and one (1) year at maximum rate, an additional one and
 18 one-half (1.5) percent for a total of four and one-half (4.5) percent added to Step 5.

19
 20 **Step 9.** Effective January 1, 2002, after twenty (20) years of continuous service and one (1) year at maximum
 21 rate, an additional one and one-half (1.5) percent for a total of six (6.0) percent added to Step 5.

22
 23 **Step 10.** Effective January 1, 2010, after twenty-five (25) years of continuous service and one (1) year at
 24 maximum rate, an additional two (2) percent for a total of eight (8) percent added to Step 5.

25
 26 **2.** In the event a member of the Association is **promoted** to a class grade with a higher pay range, the
 27 **entrance rate** shall be at the lowest step in the higher class grade that will provide an increase of no less than eight (8)
 28 percent over his/her regular class grade rate prior to such promotion or other such rate within the applicable range as
 29 he/she may be entitled to by reason of crediting him/her with prior experience that is directly related to the new
 30 position. The Police Department salary schedule for members of the bargaining unit is attached hereto as Exhibit "A"
 31 and incorporated herein this article.

32
 33 **(i) Call-out Pay:**

34
 35 **1.** Members of the bargaining unit who are called back to duty outside of their regularly scheduled
 36 hours shall receive call-out pay for authorized extra time for special events, court appearances, training, and

investigations pursuant to their official duties at a minimum of two (2) hours at time and one-half (1-1/2) for each such special call out, providing a minimum interval of two (2) hours exists between the start of each call out and the officer's regular duty shift. Officers are required to respond immediately to all call-outs as directed. Time and one-half (1-1/2) will be paid for actual firearm training time in excess of the regular workday. Effective upon ratification employees are no longer required to complete any paperwork to receive call-out pay.

2. All **witness fees** paid to members of the bargaining unit which arise out of their employment duties shall be paid to the Finance Director/Treasurer's Office.

3. **On-Call/Detectives:**

- Detectives shall receive an additional \$75.00 bi-weekly on-call pay for carrying a phone or pager.

(j) Court Cancellations: An officer required to appear in court as a result of his/her employment duties, except civil actions not involving the City, shall be eligible for two (2) hours' compensation at his/her regular rate of pay in the event the scheduled case is cancelled after 5:00 pm the day before the hearing. In the event that an officer is eligible for court cancellation pay, and the scheduled court appearance time is within two (2) hours of the officer's scheduled starting time, then the officer shall be eligible for compensation at his/her regular rate of pay from the time of the scheduled appearance to the time of the members scheduled starting time. To be eligible for such compensation, the employee must consult the current court calendar to determine the status of the case. Said pay shall not apply if the officer is reimbursed from any other source for said service.

(k) Duty-incurred Disability Pay:

1. A bargaining unit member who sustains a compensable injury while performing within the scope of his/her employment as provided by Chapter 102, Wisconsin Statutes, shall receive his/her regular straight-time wages for the period of time he/she is temporarily totally or temporarily partially disabled because of said injury, not to exceed six (6) months per injury, and providing such person endorses his/her compensation check from the insurance carrier over to the City Finance Director/Treasurer for deposit in the proper fund. After the expiration of the six (6) months, said person shall receive only the compensation payment awarded him/her by the insurance carrier or such payments he/she is entitled to pursuant to law. The amount thus received in excess of the payments to which the employee shall be entitled under the provisions of the Worker's Compensation Act, shall be attributable and applied as an off-set by the City to any claim which the employee may be entitled to because of a permanent injury sustained.

2. In no case shall a person receive duty incurred disability pay for more than twelve (12) months not to exceed (250 working days), in one's lifetime. The "days" will simply be converted to hours as follows:

1 Officers: 2,095 (77.48 bi-weekly hours plus report time)

2 Detectives: 2,107 (77.96 bi-weekly hours plus report time)

3
4 **3.** During any time in which a person is receiving duty incurred disability pay, all the rights and benefits
5 he/she is entitled to as a member of the bargaining unit shall continue to accrue, including, but not limited to, sick leave
6 and vacation time.

7
8 **4.** When a person qualifies for duty incurred disability pay, such pay will have priority over, and be paid
9 before, any accrued sick leave time or sick leave pool time is paid to such person.

10
11 **5.** Members of the Police Department who have not completed an initial one (1) year period as new
12 members of the department shall not receive duty-incurred disability pay from the City for any physical condition or
13 aggravation of a physical condition preexisting the date of hire of such persons.

14
15 **(I) Severance Pay:**

16
17 **1. Upon retirement, layoff without cause** on the part of the employee, or death, an employee, or the
18 employee's estate, will receive the following severance pay, less any amount paid out as a result of any previous
19 terminations.

20
21 **Vacation:** All unused vacation pay and earned vacation pay prorated for all completed months of service
22 from January 1 to the date of retirement.

23
24 **Compensatory Time:** Payment for any accumulated overtime work performed.

25
26 **Sick Leave.** A full-time employee is entitled to payment for all accumulated sick leave, not in excess
27 of seventy-five (75) days effective January 1, 2011, at his/her regular rate of pay exclusive of holiday pay upon
28 retirement, termination without cause, or death, less any paid out as a result of any previous terminations.

29
30 **Uniform and Equipment Account.**

31 **See Article XIV, Section (a), Subsection 4.**

32
33 **2. Upon voluntary termination,** an employee will receive the following severance pay less any amount
34 paid out as a result of any previous terminations.

35
36 **Vacation: All unused vacation pay.**

Compensatory Time: Payment for any accumulated overtime work performed.

Uniform and equipment account.

See Article XIV, Section (a), Subsection 4.

(m) Police Training Officer Compensation. Effective June 1, 2003, Police Training Officers shall receive one (1) extra hour of pay each day they are assigned to Police Training Officer duties. Management reserves the right to assign those officers who they deem as most qualified for this assignment. The Police Training Officer provision does not prohibit any officer from the benefits he/she is entitled to under the overtime provisions of this Agreement.

(n) K9 Handler Compensation. Effective January 1, 2022, K9 Handlers shall receive three-quarters (3/4) of an hour maintenance (straight time) on days off, vacation and sick days. The handler shall not receive any compensation on days when the K9 is boarded by a third party.

Article VIII

(a) Vacation:

Vacations, exception to: All employees hired after January 1, 1988, must complete the "years of service" requirement prior to December 1 to be eligible for the first step in the vacation schedule. All employees hired after January 1, 1988, between December 1 through December 31 will be entitled to the first step in the vacation schedule January 1 of the following year.

1. Each member of the bargaining unit shall be granted a yearly vacation without loss of pay in accordance with the following schedule:

a. After completion of one (1) years' service with the Police Department to completion of four (4) years' service with the department, one hundred one (101) hours vacation per year.

b. After completion of five (5) years' service with the Police Department to completion of nine (9) years' service with the department, one hundred forty-four (144) hours vacation per year.

c. After completion of ten (10) years' service with the Police Department to completion of fourteen (14) years' service with the department, one hundred seventy (170) hours vacation per year.

1 d. After completion of fifteen (15) years' service with the Police Department, two hundred twenty-nine
2 (229) hours vacation per year.

3
4 During the initial selection period for vacation for the upcoming calendar year, when all full days, either the
5 regular eight (8) or the extended ten and one-half (10-1/2) hour day(s) have been selected and hours remain, the
6 following process will be followed: The employee may, for one (1) shift per year, add remaining hours to extra hours
7 to equal an eight (8) or ten and one-half (10-1/2) hour day. That day can then be picked as part of the regular vacation
8 selection process. Alternately, the officer can select one (1) day on which to use all of the remaining vacation hours at
9 the beginning or end of a workday and work the balance of that day. That one (1) part day can then be picked as part
10 of the regular selection process. Alternately, the officer can schedule the hours off later at a time mutually agreed upon
11 with supervision.

12
13 2. Two (2) members shall be allowed off per day, per shift, on the initial vacation selection, for those members
14 assigned to Patrol Division. Additional vacation time may be used at the discretion of the shift supervisor. Members
15 assigned to CID or special units may take vacation at the approval of their supervisor. Vacation time may also be used
16 in one (1) hour increments up to eight (8) hours or ten and one-half (10.5) hours on extended day, at the discretion of
17 shift supervision, and subject to cancellation as extra time. Vacation time, once selected may be shifted to other days
18 throughout the year if, at the discretion of the supervisor, manpower requirements for that day are satisfactory.

19
20 3. All vacations must be taken in the calendar year after which it was earned, at a time that meets with the
21 approval of the Chief of Police; except when a vacation was cancelled due to an immediate or impending police
22 emergency in November or December, such cancelled vacation may be taken the following year at a time that
23 meets with the approval of the Chief of Police.

24
25 **(b) Holidays:**

26
27 1. Each member of the bargaining unit shall be granted ten (10) days of compensatory pay (regular base rate,
28 including longevity, if any) in lieu of holidays in addition to the regular base pay or longevity rate. Such compensatory
29 pay shall be apportioned equally over the pay periods of the year.

30
31 2. Members of the bargaining unit required to work on holidays shall receive in addition to their regular
32 pay, hour for hour additional pay at the employee's straight time rate of pay up to a maximum of ten and one-half
33 (10-1/2) hours, of Subsection 1 above. Such additional straight time shall be paid in compliance with the employees'
34 overtime payout options.

3. (a) The ten (10) paid holidays shall be as follows:

New Year's Day	Labor Day
Friday before Easter	Thanksgiving Day
Easter Sunday	Christmas Eve
Memorial Day	Christmas Day
Independence Day *	New Year's Eve Day

*Independence Day or the date of official celebration as designated by the Common Council. It is understood that the day designated by the Common Council for the Independence Day celebration will be the only day recognized as the holiday.

(b) One (1) Floating Holiday only for officers on the 5-2, 5-3 or 5-2/ 5-2/ 4-3 or variant of that work schedule.

4. Compensation for those employees who are called in on their regularly scheduled off day to work on a holiday shall be as follows:

a. Holiday compensatory pay as defined in Section (b)1 above.

b. Double time rate of pay for hours worked.

c. Up to ten and one half (10.5) hours holiday pay as defined in Section (b)2 above.

(c) Bereavement Pay:

1. Effective upon ratification of the 2007-2009 contract, the City will pay for each day of approved absence from work for any of the five (5) normally scheduled workdays (to include regularly scheduled extended workdays) that fall either directly before or directly after the date of the funeral, not to include already scheduled regular days off, for time necessary to attend or arrange for funerals of spouse, children, parents of an employee. The City will pay for each day of approved absence from work for any of the three (3) normally scheduled workdays (to include regularly scheduled extended workdays) that fall either directly before or directly after the date of the funeral, not to include already scheduled regular days off, for time necessary to attend or arrange for funerals of mothers or fathers-in-law, brothers, sisters or grandchildren of an employee. In addition, employees will be accorded time off to attend the funeral services of grandparents up to a maximum of one (1) day when authorized in advance by the Chief of Police.

2. A member of the bargaining unit excused from work under this section shall receive eight (8) hours (or ten and one-half [10.5] hours for an extended day) at his/her regular rate of pay per each scheduled day of work excused in accordance with Section (c)1. Time thus paid will not be counted as hours worked for purposes of overtime.

ARTICLE IX - SPECIAL LEAVE

(a) Members of the bargaining unit who have satisfactorily completed an initial one (1) year period as new members of the department and who voluntarily leave the City's service by request of the Federal Government to enter the active service with the armed forces of the United States shall be given a leave of absence upon written request. Said persons shall be entitled to be reinstated according to the applicable laws governing such reinstatement. To be eligible for such reinstatement, the person must be honorably discharged from the active service of not more than four and one-half (4-1/2) years. All leaves of absence for military service shall be without pay and benefits.

Leaves of absences and benefits during military reserve training for Reservists and members of the National Guard shall be in accordance with applicable laws; currently, U.S. Department of Labor, Chapter 43 of Part III of Title 38, U.S. Code.

(b) The provisions of Chapter 29, Sections 142-148 of the Municipal Code of the City of Sheboygan are recognized and made a part of this Agreement by this reference.

ARTICLE X - SICK LEAVE

(a) Each member of the bargaining unit shall accumulate sick leave days of one (1) day for each completed month of service with the department.

(b) Effective January 1, 2011, unused sick leave will be accumulated up to a maximum of one hundred forty nine (149) working days. Unused sick leave in excess of one hundred forty-nine (149) working days per person shall be pooled in the Police Department sick leave pool and may be restored, pursuant to the terms of this article, for use of the members of the Police Department.

(c) The sick leave pool shall be under the jurisdiction of the Chief of Police who will administer this section after consultation with an advisory committee from the Association of no more than two (2) employees. A member of the department is not eligible to participate in the sick leave pool if he/she is able to perform light-duty work, or he/she is eligible for any other benefit program including, but not limited to, the following:

1. Duty-incurred disability pay
2. Base sick leave pay
3. City-paid retirement disability programs
4. City-paid annuity programs
5. Worker's compensation benefits
6. Vacation pay
7. Social Security disability pay

All such requests to participate in the sick leave pool must be made in writing by the employee to the Chief of Police setting forth and including the following information:

Submission of satisfactory medical evidence from a physician on a form prescribed by the City certifying that the employee has been incapacitated for said period of absence, the estimated period of time the employee will continue to be incapacitated, and the nature and prognosis of the illness or injury.

An employee who is using sick days from the sick leave pool shall furnish an updated Physician's Report from his/her physician on the form prescribed by the City every thirty (30) days. Said report will be reviewed by the Chief and the Association Advisory Committee to determine his/her eligibility to continue using sick leave from the sick leave pool.

The Chief of Police will advise the employee of his/her decision in writing within fifteen (15) working days after receipt of the above information.

(d) A member of the bargaining unit eligible for sick leave may use such sick leave for absence necessitated by non-occupational illness, injury, exposure to contagious disease, and in the event of an emergency due to a serious illness or accident in the officer's immediate family up to ten (10) days in a calendar year at the discretion of the Chief of Police providing the member's spouse, if employed, does not continue working during the member's absence. The term "immediate family" as referred to herein includes the spouse of the member, his/her unemancipated children, and disabled dependents of the member who are wholly dependent on the member for their support and maintenance and who reside in the member's immediate household. A normal pregnancy devoid of serious complications is not considered a serious illness in the member's immediate family.

(e) Members of the bargaining unit absent from work on legal holidays, during sick leave, vacation, or disability arising from injuries sustained in the course of their employment, or for authorized leaves of absence with pay shall continue to accumulate sick leave at the regularly prescribed rate during such absence as though they

were on duty subject to the maximum accumulation of one hundred forty-nine (149) days as set forth in Section (b) above, effective January 1, 2011.

(f) A member of the bargaining unit on sick leave shall inform his/her immediate supervisor of that fact and the reason therefore prior to the day of absence or as soon as possible, but not later than one (1) hour before his/her reporting time. A member shall keep his/her immediate supervisor informed at reasonable times during the period of his/her sick leave of his/her condition. In the event that an illness or injury (physical or mental) extends beyond three (3) working days or at any time if there is an apparent abuse of the sick leave privilege, the Chief of Police may request that the Chief be provided with a doctor's certificate stating the nature of the illness or injury which caused the member's incapacitation.

(g) Sick leave will be recorded in two hour increments.

(h) It is recognized that sick leave is a valuable income protection insurance benefit paid for by the City to be used solely for bona fide sickness or accidents in accordance with the provisions herein. In the event any employee has misused the sick leave provisions contained herein, or has requested the use of sick leave when such sick leave is not warranted, he/she may subject himself/herself to disciplinary action, up to and including discharge.

ARTICLE XI - TRAINING AND PHYSICAL FITNESS

(a) Required Training:

1. Members of the bargaining unit required to attend necessary job-related police training or education out of the City shall receive full pay for time spent attending school within the limits of Municipal Code, Chapter 29-144 and upon approval of the Chief of Police.

2. A member of the bargaining unit required to attend police courses above shall be eligible for tuition and textbook reimbursement for courses successfully completed within the limits of any ordinance pertaining thereto and the Police Department budget.

The Police Department shall provide all required training for its employees.

Accordingly, employees of the Association having completed their normal eight (8) hour shift and having at least eight (8) hours between the start of training time shall not be entitled to overtime compensation.

1 For purposes of training, if an employee is required to work on a day off, the employee shall receive reserve
2 days in lieu of overtime compensation.

3
4 **3.** Administration and control of the benefits of this provision shall be under the Chief of Police in accordance
5 with Wisconsin Statutes and municipal ordinances and resolutions.

6
7 **(b) In-service Training:**
8

9 **1.** In-service training, including such time as may be required at the police pistol range shall be conducted in
10 every practical instance during duty hours on City time.

11
12 **2.** Each member of the bargaining unit assumes full responsibility for learning and knowing the
13 material presented at training sessions and further agrees to maintain a level of professional competence to perform
14 the work assigned to him/her.

15
16 **3.** Each member of the bargaining unit assumes full responsibility for maintaining a level of physical
17 and mental fitness necessary to perform the work assigned to him/her.

18
19 **(c) Other Job-related Training:**
20

21 **1.** Effective January 1, 2010 the City will pay for tuition and textbooks within the budgetary limits not
22 to exceed \$300.00 (three hundred dollars) per employee per year to attend courses directly related to their current
23 duties as Police Officer as determined by the Chief and upon approval of the Chief providing the employee
24 satisfactorily completes said course.

25
26 **2.** In no event shall there be any payments of these benefits where an employee is eligible for Veteran
27 Administration benefits, grants, or other reimbursement for said tuition and textbooks.

28
29 **3.** Each employee assumes full responsibility for learning and knowing the material presented at training
30 sessions and further agrees to maintain a level of professional competence and physical and mental fitness necessary
31 to perform the work assigned to him/her.

32
33 **4.** Both parties to this Agreement recognize that physical fitness is of paramount importance in the police
34 service. Persons employed in the police service are expected and frequently required to perform at emergencies under
35 extremely high levels of physical effort and stressful conditions. Physical fitness is a condition of employment.

1 **(d) Physical Examinations:** For sufficient reason, physical examinations may be required by the Chief of
2 Police at any time at the expense of the City; None of the designated doctors may be the member's own family
3 physician. Such doctor shall furnish to the Chief of Police the completed medical examination form provided by
4 the City, copy of which is attached hereto, certifying as to the physical condition of the member so examined. Any
5 certification as to mental condition shall be made by a licensed psychiatrist or psychologist. Association may appeal
6 at member's expense. Upon request, a copy of the completed medical examination form will be promptly provided to
7 the member by the Chief of Police or designee.

9 **Drug Screening:** Physical examinations conducted pursuant to section (d.) may include a drug screening test
0 for the following:

1 Amphetamine

2 Cocaine Metabolite

3 Opiate

4 Phencyclidine

5 Marijuana Metabolite

7 ARTICLE XII

8 (a) **Health Insurance:**

0 1. The City is self-insured for health insurance and agrees to comply with all State of Wisconsin insurance mandates.

2 2. Members of the Association shall have the same premium contribution amounts and percentage and all other related
3 health insurance options equal to the Non-represented City of Sheboygan employees.

3. Effective July 1, 2001, the City shall provide a **flexible benefits plan** available to Police Officers' Association members. The benefits plan shall cover medical and child care expenses. The plan shall be subject to the limits and constraints set by the Federal Government (IRS).

9 4. All benefits shall be subject to the standard provisions set forth in the policy or policies, including "other
0 coverage" and "subrogation" amendments. The City's obligations under this Agreement to provide insurance
1 benefits to members of the bargaining unit cease when the member is laid off, discharged, or quits.

3 5. The City shall not be obligated to provide **double coverage**; and to escape such double payments, the City
4 may be permitted to cancel benefits or policies which shall duplicate in whole or in part compulsory government
5 insurance.

6. A retired member of the bargaining unit who has accumulated unused sick leave severance pay may at the time of retirement elect to receive full conversion credit at his/her current basic pay rate for these hours. Said members will exercise this option at the time of retirement and the selection shall be final and irrevocable. The conversion credit shall be recorded and used by the City until exhausted on behalf of the member, spouse, and unemancipated children of the member under the age of eighteen (18) to pay the premium for the City's hospital, surgical, and major medical plan for retirees, providing the member meets the following conditions:

a. The member must be eligible to receive Wisconsin Retirement System annuity payments or local pension under Wisconsin Statute 62.13, and must have reached retirement age as determined for annuity computation purposes under the Wisconsin Retirement System.

b. The member is not eligible for any other group health insurance while employed elsewhere.

c. When the member or his/her spouse becomes eligible for any government sponsored insurance program, the coverage shall be changed to a non-duplicating plan.

7. In the event of subsequent ineligibility pursuant to Article XII (a)3, or death of a member, spouse, or unemancipated minor children of member, who had elected conversion credit, any unused principal balance remaining in said member's account shall be paid to such member, spouse, or unemancipated minor children, or to the estate or person legally entitled thereto of such member, spouse, or unemancipated minor children of member as the case may be, within sixty (60) days after application for same is made in writing to the City Finance Director/Treasurer.

8. a. The term "retire" or "retirement" as used in this Article shall mean the member must have reached retirement age (presently age fifty [50]) as determined for annuity computation purposes under the Wisconsin Retirement System and is receiving either a retirement or disability annuity.

b. Employees who attain one hundred forty-four days (1,152 hours) of unused sick leave shall be eligible to participate in the **Good Attendance/Retirement Bonus Program** effective January 1, 1990. Under the program and upon retirement, the employee will be given a maximum of one (1) retirement insurance credit for each unused sick leave day in excess of one hundred forty-nine (149) days (effective January 1, 2011). In each case of an extended non-occupational injury or illness in excess of thirty (30) workdays during the ten (10) calendar years immediately preceding an employee's retirement date, an additional one-half (1/2) credit will be given for each consecutive sick day used in excess of thirty (30) workdays during said injury/illness. Effective January 1, 2003, upon retirement all accumulated retirement insurance credits will be converted into cash value at the rate of twelve (12) percent of the single plan rate in effect on the last day worked with a cap of sixty-five (65) dollars per credit. (See Addendum No. 1 for example of Subsection (a) benefits.) The rate will be reviewed during future contract negotiations.

1 c. Employees who retire shall be credited with an aggregate amount equal to \$55.29 per month (effective
2 January 1, 2009) times the number of months from the month after retirement until age sixty-five (65) or until eligible
3 for Medicare or any government-sponsored insurance whichever occurs first.
4

5 d. Upon retirement, all credits and monies referred to in Subsections (b) and (c) above, shall be placed
6 into a City escrow account from which the retiree's premium for the City's health insurance plan for retirees will
7 be paid in an amount equal to the cost of the lowest-priced single health insurance plan until age sixty-five (65) or
8 until said retiree becomes eligible for Medicare or any government-sponsored insurance, dies, or until the account is
9 exhausted, whichever occurs first.
10

11 9. Said employees shall pay the entire premium for retirees established with the City's insurance carrier to the Finance
12 Director/Treasurer on or before the fifteenth day of the month preceding coverage.
13

14 10. Retirees are part of the City health insurance group. Retirees shall have the same benefit level as active employees.
15 Retirees' premium rates shall be the same as active employees.
16

17 11. An employee may select from a family, employee plus spouse, employee plus children or single plan at retirement.
18 Said retiree shall be allowed to switch between the family, employee plus spouse, employee plus children or single as
19 his/her personal circumstances change. The retiree must notify the City of a change at least thirty (30) days prior to
20 implementation. This provision is subject to availability of this option by the City's carrier and that change from single
21 to family is limited to one (1) per retiree and only in the event his/her spouse loses outside coverage. (See attached
22 Letter of Intent)
23

24 12. A surviving spouse is eligible to remain in the City plan.
25

26 13. Upon eligibility for Medicare, Medicare benefits will be integrated. The retiree premium rate will be reduced
27 to reflect this integrated program.
28

29 14. A retiree shall be defined as any City employee who is eligible for, or is receiving, benefits from programs
30 covered by Chapter 40 of the WI State Statutes.
31

32 15. A surviving spouse of a deceased employee with fifteen (15) or more years of continuous service in the Police
33 Department may participate at his or her own expense in any City hospitalization plan covered by this Agreement
34 provided he or she meets the following conditions:
35
36

- 1 **a.** Marriage to the employee must have been for at least a five (5) year period.
- 2
- 3 **b.** The surviving spouse remains unmarried.
- 4
- 5 **c.** The surviving spouse is not eligible for other group insurance.
- 6
- 7 **d.** The surviving spouse is not eligible for government-sponsored medical insurance.
- 8

9 16. Upon retirement, all said employees' sick days accumulated after January 1, 1985, which are accredited to
10 the sick leave pool shall be removed from the employees' sick leave accounts and the department's sick leave pool.

11

12 17. All past retirees who are receiving the \$34.70 per month health insurance payment shall continue to receive
13 that benefit according to the terms of the 1988-89 Agreement and until age sixty-five (65) or until they become
14 eligible for Medicare or any other government-sponsored insurance.

15

16 **(b) Dental Insurance:**

17

18 The City will provide a free-standing group dental program for which the City will pay eighty-five (85)
19 percent of the single coverage and the family coverage for all eligible full-time employees in the bargaining unit.
20 Such program will provide coverage as contained in the "Dental Schedule of Benefits" attached hereto as Addendum
21 B or comparable coverage.

22

23 **(c) Life Insurance:**

24

25 All employees will pay 50% of the member's basic life insurance premium for Wisconsin Employee Group
26 Life Insurance Plan.

27

28 **(d) Deferred Comp:**

29

30 A deferred compensation plan for City employees shall be made available by a City of Sheboygan resolution
31 in accordance with the Tax Reform Act of 1978 (H.R. 13511). The Wisconsin Deferred Compensation Program will
32 also be offered.

33

34

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ARTICLE XIII - PENSIONS

(a) Wisconsin Retirement System: :

Employees will pay the defined "Employee Contribution" amount established by the Wisconsin Department of Employee Trust Funds for Protective Occupation with Social Security. Changes in contribution amounts to be applied the first payroll in January of each calendar year.

ARTICLE XIV

a) Uniform Allowance:

1. Payable the first payday of the new year, an annual uniform and equipment allowance shall be paid to each bargaining Union member. Effective January 1, 2022, the total amount paid shall be seven hundred and twenty dollars (\$720), with payments for new appointees made the first pay period from the date of hire.
2. Effective January 1, 2011 an additional \$100.00 per year uniform allowance will be paid to ERT, Dive, Canine, Honor Guard and Motor Officer units.
3. There shall be no severance benefits under this provision. However, in the year a member dies, retires, or terminates his/her service with the department, there shall be returned to the general fund that portion of the annual uniform and equipment allowance equal to that portion of the year during which he/she was not in active service in the department which said amount shall be deducted from the final pay roll.
4. Officers who adhere to the mandatory ballistic vest wear policy while on patrol during each duty shift will receive an additional annual uniform and equipment allowance payment in the amount of two hundred dollars (\$200). Said two hundred dollars (\$200) shall be paid the first pay period in January each year in accordance with a) 1. above. Effective January 1, 2020, upon appointment, new appointees shall be awarded an initial ballistic vest for which the City will pay a one-time maximum reimbursement of one thousand dollars (\$1,000) payable upon verification and approval of said purchase by the Police Chief or his/her designee.
5. Effective January 1, 2022, each new appointee to the department shall be paid eight hundred dollars (\$800) as and for an initial uniform and equipment allowance, with payments made the first pay period from the date of hire.

a. In the event such appointee is terminated or terminates within one (1) year of his/her date of appointment, all equipment and uniforms purchased hereunder shall be returned to the City on date of termination.

b. After a member of the Police Department has completed one (1) year of service, the member shall be paid uniform allowance in accordance with the above, except for the first year in which the annual uniform and equipment allowance shall be prorated on the basis of the number of complete months remaining in that calendar year.

6. Non-uniformed members of the bargaining unit shall receive the same uniform and equipment allowance as uniformed members.

(b) City-issued Equipment:

1. The City shall provide at its expense the following equipment to members of the bargaining unit whose duties require them to utilize such equipment:

-shoulder patches	-name plates
-duty firearms and ammunition	-police whistles
-handcuffs and case	-off-duty and on-duty badges
-portable radio holder	-baton with holder
-collar emblems	-duty belt, holster, cartridge case and flashlight holder
-flashlight and pepper spray or such other non-lethal chemical agents as may be approved by Chief of Police	

Officers who are regularly assigned to the Emergency Response Team shall be provided with all the items enumerated on the Emergency Response Team Equipment Check List to be used for Emergency Response Team assignments only.

2. The equipment issued by the department shall be used by said member and must be maintained in good condition and returned to the department when in the discretion of the Chief of Police reissue is necessary to keep the equipment in good or working condition.

3. All items of equipment must be returned in good condition when a member of the bargaining unit leaves the service of the City. In the event such items are not returned to the City in good condition on such date, the full cost of the articles not so returned shall be deducted from the pay of the member leaving the service of the City.

(c) Loss or Damage:

1. The City agrees that employees shall not be charged for any loss or damage of City-owned or leased property or materials unless clear proof of maliciousness or a high degree of negligence is shown.

2. The City agrees to cover the drivers of all Police Department vehicles with sufficient bodily injury liability and property damage liability insurance to cover any claim against said driver involved in an accident while driving a City-owned or leased vehicle.

ARTICLE XV – RESIDENCY

(a) Residency: Effective January 2020, all employees shall, as a condition of their employment, establish a permanent residence within a 45-mile radius of the jurisdictional boundaries of the City of Sheboygan within four (4) months of completion of their probationary period and must remain residents throughout their employment within the above described requirement, except for the following:

1. The Human Resources Director, with input and/or recommendation of the Chief of Police, may extend the four (4) months to accommodate a hardship with evidence the employee is in the process of securing residency.

2. Employees living outside the 45-mile radius as of December 31, 2019 may continue to reside at the address of record on December 31, 2019. If such employees change their primary residence during the time of their employment, they may not move further away from the City than their previous residence.

3. This residency requirement shall be rescinded and not applicable for members reaching normal retirement age as determined by the Wisconsin Retirement System (presently age 50).

ARTICLE XVI - PROHIBITION OF STRIKES AND LOCK-OUTS

(a) The parties to this Agreement mutually recognize and agree that the services performed by the members of the Police Department are services essential to the public health, safety, and welfare. Therefore, the Association shall not cause or permit its members to strike, slow down, disrupt, impede, or otherwise impair the normal functions of the Department, nor shall any member of the Association take part in any of such prohibited activities.

(b) There shall be no lock-out by the City during the term of this Agreement or any extension thereof.

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ARTICLE XVII - BENEFICIARIES OF AGREEMENT

It is agreed that all members of the Police Department who are new appointees to the department and who have not yet completed their initial fifteen (15) month probationary period as new members of the department shall have all the rights and benefits of this Agreement as if they were members of the bargaining unit, except where such rights and benefits are expressly limited by specific reference in this Agreement to Association members; and, also, where the rights and benefits afforded members of the Police Department who have not yet completed their initial fifteen (15) month probationary period as new members of the department are expressly limited or conditioned by the terms and conditions of this Agreement by specific reference to this class of employee. Insofar as rights and benefits are afforded to the herein mentioned probationary employees of the department, they shall have the right to enforcement of these rights and benefits as if they were members of the bargaining unit.

14
15

ARTICLE XVIII - AID TO CONSTRUCTION OF PROVISIONS OF AGREEMENT

It is intended by the parties hereto that the provisions of this Agreement shall be in harmony with the duties, obligations, and responsibilities which by law devolve upon the Common Council and these provisions shall be interpreted and applied in such manner as to preclude a construction thereof which will result in an unlawful delegation of powers unilaterally devolving upon the Common Council.

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ARTICLE XIX - SAVING CLAUSE

If any article or section of this Agreement or any addenda thereto as it relates to matters under the exclusive control of the Common Council of the City of Sheboygan shall be held invalid by operation of law or by any tribunal of any competent jurisdiction or if compliance with or enforcement of any article or section shall be restrained by such tribunal, the remainder of the Agreement and addenda shall not be affected thereby and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such article or section.

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ARTICLE XX - RESERVATION OF BENEFITS

The parties hereto recognize and understand that although it is their intention to reach an entire agreement that there presently exists certain ordinances of the City of Sheboygan which bear on and affect wages, hours, and conditions of employment and which confer rights and benefits upon the members of the Association, which rights and benefits are not included as subjects in this Agreement. Should the City of Sheboygan repeal an ordinance that confers such a right or benefit upon members of the Association, the parties hereto shall enter into immediate

collective bargaining negotiations for the purpose of arriving at a mutually satisfactory amendment to this Agreement whereby rights and benefits which were the subject of the repealed ordinance shall be included in this Agreement.

ARTICLE XXI - ENTIRE AGREEMENT

(a) This Agreement reached as a result of collective bargaining represents the full and complete Agreement between the parties and supersedes all previous agreements between the parties. It is agreed that only matters specified shall be open for negotiations during the term of this Agreement, whether or not referred to in this Agreement.

(b) This Agreement shall be effective upon ratification by the membership of the Association and the Common Council of the City of Sheboygan and shall remain in full force and effect until its expiration December 31, 2023. Terminations, excluding retirements, before ratification are not included in the benefits of this contract. The parties hereto agree that the Agreement shall be signed as soon after ratification as practicable.

Dated at Sheboygan, Wisconsin, this _____ day of _____ 2022.

FOR THE CITY:

BY: _____
Ryan Sorenson, Mayor

BY: _____
Meredith DeBruin, City Clerk

FOR THE SPPOA ASSOCIATION:

BY: _____
Brandon Kehoe, Detective

BY: _____
Eric Edson, Detective

BY: _____
Kent Huibregtse, Police Officer

BY: _____
Christopher Sondalle, Police Officer

BY: _____
Travis Barber, Police Officer

1 ADDENDUM B TO THE 1988-89 AGREEMENT
2 BETWEEN THE CITY OF SHEBOYGAN AND THE
3 SHEBOYGAN PROFESSIONAL POLICE OFFICERS' ASSOCIATION
4

5 DENTAL SCHEDULE INSURANCE (2)
6 SCHEDULE OF BENEFITS
7

8 **MAXIMUM BENEFITS**
9

10 \$1,500.00 aggregate maximum per calendar year per member. Applies to all dental services other than orthodontic
11 services. \$25 deductible/maximum of three (3) per family per calendar year.
12

13 **ORTHODONTIC MAXIMUM**
14

15 \$1,500.00 per dependent child member's lifetime.
16

17 **LEVEL OF BENEFITS**
18

19 **A. Diagnostic**
20

21 1. Dental Radiographs

- 22 - 100% of usual, customary, and reasonable charges
- 23 - 1 full mouth X-ray series in a period of 36 months in a row
- 24 - 1 supplementary bitewing X-ray series, limited to 2 in a calendar year
- 25 - The plan covers Panoramic X-rays or a full mouth series of X-rays, but not both
26

27 2. Routine Oral Examinations and Prophylaxes

- 28 - 100% of usual, customary, and reasonable charges
- 29 - 1 oral exam or prophylaxis, limited to a total of 2 in a calendar year
30

31 **B. Preventive**
32

33 1. Topical Fluoride Treatment

- 34 - 100% of usual, customary, and reasonable charges
- 35 - limited to members under age 19 years
36

2. Space Maintainers

- 100% of usual, customary, and reasonable charges
- limited to members under age 19 years

3. Sealants

- 100% of usual, customary, and reasonable charges
- limited to members under age 14 years

C. Ancillary

1. General Anesthesia

- 100% of usual, customary, and reasonable charges

2. Antibiotic Drugs

- 100% of usual, customary, and reasonable charges

3. Emergency Palliative Care

- 100% of usual, customary, and reasonable charges

4. Emergency denture repairs and adjustments

- 100% of usual, customary, and reasonable charges

D. Restorative

1. Direct filling procedures

- 80% of usual, customary, and reasonable charges

2. Indirect filling procedures

- 80% of usual, customary, and reasonable charges

E. Oral Surgery

- 80% of usual, customary, and reasonable charges

F. Endodontics

80% of usual, customary, and reasonable charges

G. Periodontics

-50% of usual, customary, and reasonable charges

H. Prosthodontics

-50% of usual, customary, and reasonable charges

I. Orthodontic

-50% of usual, customary, and reasonable charges

-limited to dependent children members under age 19 years

ORAL SURGERY: Provides benefits for the twelve (12) oral surgeries and simple extractions. However no benefits shall be payable under this plan for charges for oral surgery performed on any member if at the time such oral surgery is performed there is in effect a "fee-for-service" plan (presently Blue Cross and Blue Shield United of Wisconsin) or other hospital and/or surgical-medical group insurance policy covering the member.

(1) See attachment on Oral Surgery covered by Blue Cross Blue Shield.

(2) Based on usual, customary, and reasonable charges.

ORAL SURGERY

Charges are paid to a physician or dentist for the following services only, wherever performed:

1. Surgical exposure or removal of impacted teeth.
2. Removal of tumors and cysts of the jaw, cheeks, lips, tongue, roof and floor of the mouth, when pathological exam is needed.
3. Surgery to correct accidental injuries of the jaw, cheeks, lips, tongue, roof and floor of the mouth. The injury must happen while you are covered under this plan.
4. Removal of apex of tooth root (apicoectomy).
5. Removal of exostoses of the jaw and hard palate.

- 1 6. Treatment of fractured facial bones.
- 2 7. External incision and drainage of cellulitis.
- 3 8. Cutting of accessory sinuses, salivary glands or ducts.
- 4 9. Reducing dislocations and removal of the temporomandibular (TMJ) joints.
- 5 10. Gingivectomy – Removal of loose gum tissue to end infection.
- 6 11. Alveolectomy – Leveling structures supporting teeth for the purpose of fitting dentures.
- 7 12. Frenectomy – Incision of any mid-line fold of tissue between the jaws and lips and/or lower jaw and tongue.
- 8 13. Removal of retained (residual) root.
- 9 14. Gingival curettage under general anesthesia.
- 10 15. Apical curettage.

Addendum No. 1

Days Credited	Amount of Credit	Total Credits	Dollar Value	Total Value
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Example:

1/1/85 balance -
144 days of unused
sick leave

Balance at retire-
ment 334 days

190	1	190		
-----	---	-----	--	--

68 consecutive sick
days used due to an
extended illness
(within ten calendar
years prior to
retirement)

38	1/2	19		
—	—	—		

209 x \$39.26 = \$8205.34

Letter of Intent

The following wording regarding the ability of a retired employee to change from a single plan to a family plan was placed in the contract January 1, 2001:

“An employee may select either a family or single plan at retirement. Said retiree shall be allowed to switch from single to family or from family to single as his/her personal circumstances change. The retiree must notify the City of a change at least thirty (30) days prior to implementation. This provision is subject to availability of this option by the City’s carrier and that change from single to family is limited to one (1) per retiree and only in the event his/her spouse loses outside coverage.”

This Letter of Intent is to clarify that wording.

- A.** This provision will take effect on January 1, 2001. As of that date, this wording shall cover all current retirees and future retirees.
- B.** The option to change from a single to family plan can only be implemented once.
- C.** If a retiree’s spouse has a loss of outside medical coverage from his/her place of employment, the retiree can change his/her City plan from single to family.

- 1.** The spouse can enter unconditionally upon completion of his/her COBRA rights with the previous employer, or
- 2.** The spouse may enter prior to the completion of COBRA with proof of insurability.
- 3.** Should a retiree marry, he/she can change from a single plan to family if:
 - a.** He/she has not already used the one-time single to family provisions previously.
 - b.** The spouse is not eligible for employer-sponsored health insurance.
 - c.** The spouse is not eligible for COBRA health insurance through a previous employer. (Unless he/she provides proof of insurability (see #C.2.).

D. Definitions.

- 1. Loss of outside medical coverage of an employee’s spouse:** Circumstance which leaves spouse without health insurance. Retirement, voluntary termination, involuntary termination, layoff are examples of loss of outside medical coverage.
- 2. COBRA.** The current law in effect which requires an employer to offer availability of continued medical insurance in their plan following discontinuation of employment.

Proof of insurability. A medical examination to assure that there are not existing medical conditions that would be exorbitantly expensive

Res. No. 2 - 22 - 23. By Alderpersons Mitchell and Filicky-Peneski.
May 2, 2022.

A RESOLUTION authorizing a transfer and establishing an internship program within the Mayor's office budget.

WHEREAS, due to transitions and open positions in City Hall, remaining one-time funds are available within the Finance Department salary budget; and

WHEREAS, internships are a great way to have a hands on and interactive experience for students for educational and professional development; and

WHEREAS, it is important to build the next generation of community leaders; and

WHEREAS, there is a significant increase in interest from students to participate in an internship within the Mayor's Office; and

WHEREAS, in the current economic market, it is important to provide compensation to interns for the work that they do.

NOW, THEREFORE, BE IT RESOLVED: That the Finance Director is hereby authorized to transfer the actual cost of the internship program, not to exceed \$3,500, from the Finance Department Salaries Account #10115100-510110 to the Office of the Mayor Temporary Salaries Account #10112100-510130 to fund a new internship program in the Mayor's Office Budget.

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

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

Res. No. 3 - 22 - 23. By Alderpersons Felde and Ackley. May 2, 2022.

A RESOLUTION authorizing the appropriate City officials to enter into agreement with the Sheboygan Area School District relative to providing the public school system with school liaison officers from the Sheboygan Police Department.

WHEREAS, it is the mutual desire of the City of Sheboygan and the Sheboygan Area School District to provide the Sheboygan Area Public Schools with liaison officers from the Sheboygan Police Department; and

WHEREAS, the school liaison officer program promotes the public safety and welfare of the City; and

WHEREAS, the City and the school district have agreed to equally finance the cost of the school liaison officer program.

NOW, THEREFORE, BE IT RESOLVED: That the Mayor, City Clerk and Finance Director are hereby authorized and directed to enter into agreement with the Sheboygan Area School District for the provision of school liaison officers from the Sheboygan Police Department to the Sheboygan Area Public Schools for the five-year period from July 1, 2022 through June 30, 2027, in accordance with the terms and conditions of the attached agreement, which is made a part hereof.

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

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

AGREEMENT
BETWEEN THE CITY OF SHEBOYGAN
AND
SHEBOYGAN AREA SCHOOL DISTRICT

THIS AGREEMENT, made this _____ day of _____, 2022, by and between the City of Sheboygan, hereinafter referred to as the "**CITY**," and the Sheboygan Area School District, hereinafter referred to as the "**DISTRICT**."

WHEREAS, it is the mutual desire of the **CITY** and the **DISTRICT** to provide the Sheboygan area public high schools and middle schools with five (5) School Liaison officers from the Sheboygan Police Department; and

WHEREAS, the **CITY** and the **DISTRICT** have agreed to equally finance the cost of the high school and the middle school liaison program;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration,

IT IS AGREED AS FOLLOWS:

1. The Sheboygan Police Department shall assign, on a full-time basis, a total of five (5) Police Officers to act as school liaison officers as follows:

- a. One (1) officer to each of the **DISTRICT'S** two (2) public high schools, commencing July 1, 2022.
- b. Three (3) officers to cover all three (3) of the **DISTRICT'S** public middle schools, commencing July 1, 2022.

2. Said department's assigned officers shall continue to maintain their identity as police officers and be answerable as such to their superiors in the department.

3. The **CITY** shall budget, be responsible for and pay the remaining fifty percent (50%) of the liaison officers' salaries during the term of this contract, which salaries also shall include, but not be limited to, the Wisconsin Retirement Fund, overtime hours, Social Security, uniform allowance, health insurance, and life insurance payments.

4. The **DISTRICT** shall budget, be responsible for and pay the remaining fifty percent (50%) of the liaison officers' salaries during the term of this contract, which salaries also shall include but not be limited to the Wisconsin Retirement Fund, overtime hours, Social Security, uniform allowance, health insurance, and life insurance payments.

5. The **DISTRICT** agrees to pay the **CITY** its portion of the SROs' cost as a flat fee to be billed in twelve equal installments. This amount shall be adjusted annually by any actual cost adjustment realized by the **CITY** or the **DISTRICT**. The annual amount to be paid by the **DISTRICT** shall be determined and agreed upon by **CITY** and **DISTRICT** Finance Departments before October 1 of the preceding calendar year.

6. The **DISTRICT** shall pay its portion of the liaison officers' salaries at the end of each month and upon receipt of a billing statement from the City Finance Director/Treasurer. Payment received by the **CITY** will be credited back to the Police Department salary account.

7. The term of this Agreement shall be five (5) years, commencing the latter of the 1st day of July 2022 or the date executed by the parties, and ending on June 30, 2027.

8. Nothing contained herein and agreed to by these parties shall abrogate the **CITY'S** responsibility for keeping in full force and effect such worker's compensation or unemployment compensation insurances for the five (5) assigned liaison officers as required by federal, state or local law.

IN WITNESS WHEREOF, the parties hereunto have set their hands and seals the day and year first above written.

FOR THE CITY

FOR THE DISTRICT

Ryan Sorenson, Mayor

Board President

Meredith DeBruin, City Clerk

Board Member

COUNTERSIGNED:

COUNTERSIGNED:

Kaitlyn Krueger, Finance Director

Seth Harvatine, Superintendent of Schools

This Agreement is authorized by and in accordance with Res. No. ____ - ____ - ____.

Examined and Approved as to Form and

Execution this ____ day of _____, 2022.

Charles C. Adams, City Attorney

III

Res. No. 4 - 22 - 23. By Alderpersons Dekker and Perrella.
May 2, 2022.

A RESOLUTION authorizing executing an easement for a mini-storm sewer at 2314 W. Koning Drive.

RESOLVED: That the Mayor and City Clerk are hereby authorized and directed to execute the attached Easement for the City to construct a mini-storm sewer at the following location:

Kristine A. Cinealis, David J. Cinealis, Scott C. Cinealis, and Tracy J. Cinealis, 2314 W. Koning Drive, Sheboygan, WI

pw

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

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

EASEMENT

THIS INDENTURE, made this ____ day of _____, 2022, by Kristine A. Cinealis and David J. Cinealis, each an undivided one-third (1/3) interest and Scott C. Cinealis and Tracy J. Cinealis, husband and wife, as survivorship marital property, an undivided one-third (1/3) interest, "**GRANTOR**," and the City of Sheboygan, a Municipal Corporation of the State of Wisconsin, "**GRANTEE**";

Return To:
City Attorney's Office
828 Center Avenue, Suite 210
Sheboygan WI 53081-4442

59281-650450 Tax
Parcel No.

WITNESSETH:

KNOW ALL PERSONS BY THESE PRESENTS, that the said **GRANTOR**, in consideration of the sum of one (\$1.00) dollar and other valuable consideration in hand paid by said **GRANTEE**, receipt whereof is hereby confessed and acknowledged, and the covenants hereinafter contained, hereby grants a permanent easement to **GRANTEE** for municipal purposes, to construct and maintain a mini-storm sewer in, under, and along the East 8 feet of the following described property:

The East 26.00 feet of Lot 13 and the west 49.00 feet of Lot 12, Block 2, Plat of Koning Estates, , CITY OF SHEBOYGAN, SHEBOYGAN COUNTY, STATE OF WISCONSIN.

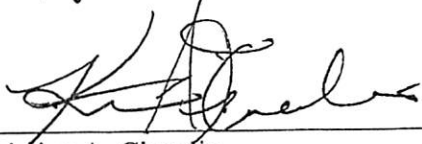
The **GRANTOR** further grants unto the **GRANTEE**, its successors and assigns, the right, privilege and easement to enter on said premises for the purposes of laying, patrolling, maintaining, cleaning, repairing and renewing said mini-storm sewer.

GRANTEE shall not specially assess **GRANTOR** for the mini-storm sewer construction. However, **GRANTOR** acknowledges and agrees that no site restoration is to be provided by **GRANTEE** in connection with construction of the mini-storm sewer.

The covenants herein contained shall be binding upon the parties hereto and their successors and assigns.

Sheet 1 of 5

IN WITNESS WHEREOF, the GRANTOR, has caused the execution of this document on this 11 day
of April, 2022.



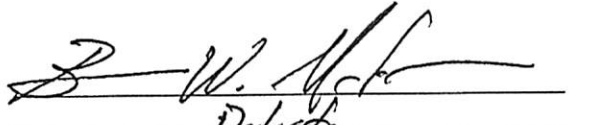
Kristine A. Cinealis
(Sign in the presence of a Notary Public)

(Sign in the presence of a Notary Public)

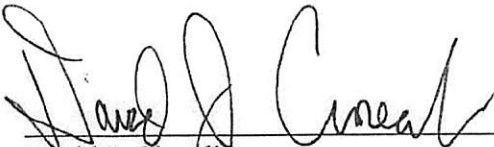
STATE OF WISCONSIN)
) §
SHEBOYGAN COUNTY)


Personally came before me, this 11th day of April, 2022, Kristine A. Cinealis to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.




Notary Public-Sheboygan County
My commission expires Jan 31, 2026

IN WITNESS WHEREOF, the GRANTOR, has caused the execution of this document on this 12 day of April, 2022.



 David J. Cinealis
 (Sign in the presence of a Notary Public)


 (Sign in the presence of a Notary Public)

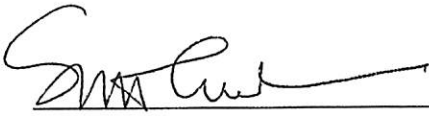
Georgia
 STATE OF ~~WISCONSIN~~
) §
SHEBOYGAN COUNTY) RLW
DeKalb

Personally came before me, this 12 day of April, 2022, David J. Cinealis to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.




Ryan Wallace
 Notary Public - ~~Sheboygan County~~ DeKalb County
 My commission expires 6-5-2025 RLW

IN WITNESS WHEREOF, the GRANTOR, has caused the execution of this document on the
19 day of April, 2022.



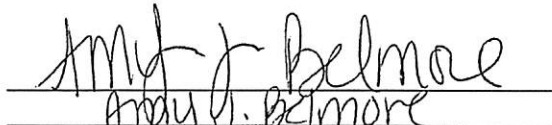
Scott C. Cinealis
 (Sign in the presence of a Notary Public)



Tracy J. Cinealis
 (Sign in the presence of a Notary Public)

STATE OF WISCONSIN)
) §
 SHEBOYGAN COUNTY)

Personally came before me, this 19th day of April, 2022, Scott C. Cinealis and Tracy J. Cinealis to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.



Amy J. Belmore
 Notary Public-Sheboygan County
 My commission expires 6/2/2024

ACCEPTED BY: CITY OF SHEBOYGAN

BY: _____
Ryan Sorenson
Mayor

ATTEST: _____
Meredith DeBruin
City Clerk

STATE OF WISCONSIN)
) §
SHEBOYGAN COUNTY)

Personally came before me, this _____ day of _____, 2022, Ryan Sorenson, Mayor, and Meredith DeBruin, City Clerk, of the above-named municipal corporation, to me known to be such Mayor and City Clerk of said corporation, and acknowledged that they executed the foregoing instrument as such officers of said corporation, by its authority.

Notary Public-Sheboygan County
My commission expires _____

Acceptance is authorized by and in accordance with Res. No. _____.

This instrument drafted by:

Charles C. Adams
Wisconsin State Bar No. 01021454

III

Res. No. 5 - 22 - 23. By Alderpersons Dekker and Perrella.
May 2, 2022.

A RESOLUTION authorizing executing an easement for a mini-storm sewer at 2904 South 21st Street.

RESOLVED: That the Mayor and City Clerk are hereby authorized and directed to execute the attached Easement for the City to construct a mini-storm sewer at the following location:

Walter L. and Susan M. Markgraf, 2904 South 21st Street, Sheboygan, WI

pw

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

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

EASEMENT

THIS INDENTURE, made this ____ day of _____, 202~~2~~,
by Walter L. Markgraf and Susan M. Markgraf, husband and wife,
residing at 2904 South 21st.Street, Sheboygan, Wisconsin 53081,
"GRANTOR," and the City of Sheboygan, a Municipal Corporation of
the State of Wisconsin, "GRANTEE";

Return To:
City Attorney
828 Center Avenue, Suite 304
Sheboygan WI 53081

59281-
409860
Tax Parcel No.

WITNESSETH:

KNOW ALL MEN BY THESE PRESENTS, that the said GRANTOR, in consideration of the sum of one (\$1.00) dollar and other valuable consideration in hand paid by said GRANTEE, receipt whereof is hereby confessed and acknowledged, and the covenants hereinafter contained, hereby grants a permanent easement to GRANTEE for municipal purposes, to construct and maintain a mini-storm sewer in, under, and along the west Eight (8) feet of the following described property:

The North Seventy-one and 19/100 ((71.19) feet of Lot Six (6), Block Twenty-eight (28) in Braun and Dorst Subdivision Number Four (4) CITY OF SHEBOYGAN, SHEBOYGAN COUNTY, STATE OF WISCONSIN

The GRANTOR further grants unto the GRANTEE, its successors and assigns, the right, privilege and easement to enter on said premises for the purposes of laying, patrolling, maintaining, cleaning, repairing and renewing said mini-storm sewer.

GRANTEE shall not specially assess GRANTOR for the mini-storm sewer construction. However, GRANTOR acknowledges and agrees that no site restoration is to be provided by GRANTEE in connection with construction of the mini-storm sewer.

The covenants herein contained shall be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, the GRANTOR, has caused the execution of this document on this 29~~th~~ day of October, 2021.

Walter L. Markgraf
 Walter L. Markgraf
 (Sign in the presence of a Notary Public)

Susan M. Markgraf
 Susan M. Markgraf
 (Sign in the presence of a Notary Public)

STATE OF WISCONSIN)
) §
 SHEBOYGAN COUNTY)

Personally came before me, this 29th day of October, 2021, Walter L. Markgraf and Susan M. Markgraf, to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

Dawn Grohskopf
 Dawn Grohskopf
 Notary Public-Sheboygan County
 My commission expires 7/23/23

ACCEPTED BY: CITY OF SHEBOYGAN

BY: _____
 Ryan Sorenson
 Mayor

ATTEST: _____
 Meredith DeBruin
 City Clerk

STATE OF WISCONSIN)
) §
 SHEBOYGAN COUNTY)

Personally came before me, this _____ day of _____, 2021, Ryan Sorenson, Mayor, and Meredith DeBruin, City Clerk, of the above-named municipal corporation, to me known to be such Mayor and City Clerk of said corporation, and acknowledged that they executed the foregoing instrument as such officers of said corporation, by its authority.

 Notary Public-Sheboygan County
 My commission expires _____

Acceptance is authorized by and in accordance with Res. No. _____.

This instrument drafted by:

Charles C. Adams
 Wisconsin State Bar No. 01021454

III

Res. No. 6 - 22 - 23. By Alderpersons Dekker and Perrella.
May 2, 2022.

A RESOLUTION authorizing executing an easement for a mini-storm sewer at 2106 Wilson Avenue.

RESOLVED: That the Mayor and City Clerk are hereby authorized and directed to execute the attached Easement for the City to construct a mini-storm sewer at the following location:

Pw

Bradley R. and Heidi L. Voss, 2106 Wilson Avenue, Sheboygan, WI

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

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

EASEMENT

THIS INDENTURE, made this ____ day of _____, 2022, by Bradley R. Voss and Heidi L. Voss, husband and wife, as survivorship marital property, residing at 2106 Wilson Avenue, Sheboygan, Wisconsin 53081, "**GRANTOR**," and the City of Sheboygan, a Municipal Corporation of the State of Wisconsin, "**GRANTEE**";

Return To:
City Attorney
828 Center Avenue, Suite 304
Sheboygan WI 53081

59281-
409870
Tax Parcel No.

WITNESSETH:

KNOW ALL MEN BY THESE PRESENTS, that the said **GRANTOR**, in consideration of the sum of one (\$1.00) dollar and other valuable consideration in hand paid by said **GRANTEE**, receipt whereof is hereby confessed and acknowledged, and the covenants hereinafter contained, hereby grants a permanent easement to **GRANTEE** for municipal purposes, to construct and maintain a mini-storm sewer in, under, and along the west Eight (8) feet of the following described property:

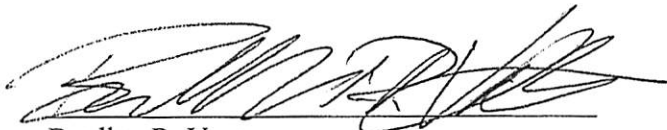
All of Lot Seven (7) and the South ten (10) feet of Lot Six (6) in Block twenty-eight (28) in Braun and Dorst Subdivision Number Four (4) CITY OF SHEBOYGAN, SHEBOYGAN COUNTY, STATE OF WISCONSIN

The **GRANTOR** further grants unto the **GRANTEE**, its successors and assigns, the right, privilege and easement to enter on said premises for the purposes of laying, patrolling, maintaining, cleaning, repairing and renewing said mini-storm sewer.

GRANTEE shall not specially assess **GRANTOR** for the mini-storm sewer construction. However, **GRANTOR** acknowledges and agrees that no site restoration is to be provided by **GRANTEE** in connection with construction of the mini-storm sewer.

The covenants herein contained shall be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, the **GRANTOR**, has caused the execution of this document on this 8 day of April, 2022.



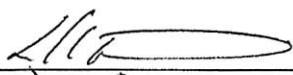
Bradley R. Voss
(Sign in the presence of a Notary Public)



Heidi L. Voss
(Sign in the presence of a Notary Public)

STATE OF WISCONSIN)
) §
SHEBOYGAN COUNTY)

Personally came before me, this 8 day of April, ²⁰²²~~2021~~, Bradley R. Voss and Heidi L. Voss, to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.


David R. Henckels
 Notary Public-Sheboygan County
 My commission expires AUG 19 2025

ACCEPTED BY: CITY OF SHEBOYGAN

BY: _____
 Ryan Sorenson
 Mayor

ATTEST: _____
 Meredith DeBruin
 City Clerk

STATE OF WISCONSIN)
) §
SHEBOYGAN COUNTY)

Personally came before me, this _____ day of _____, 202~~1~~², Ryan Sorenson, Mayor, and Meredith DeBruin, City Clerk, of the above-named municipal corporation, to me known to be such Mayor and City Clerk of said corporation, and acknowledged that they executed the foregoing instrument as such officers of said corporation, by its authority.

 Notary Public-Sheboygan County
 My commission expires _____

Acceptance is authorized by and in accordance with Res. No. _____.

This instrument drafted by:

Charles C. Adams
 Wisconsin State Bar No. 01021454

III
Res. No. 7 - 22 - 23. By Alderpersons Mitchell and Filicky-Peneski.
May 2, 2022.

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$39,430,018 WATER UTILITY REVENUE BONDS, SERIES 2022, AND PROVIDING FOR OTHER DETAILS AND COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Sheboygan, Sheboygan County, Wisconsin (the "Municipality") owns and operates a municipal water utility (the "System" as hereinafter more fully defined) which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, pursuant to Resolution No. 262-03-04 adopted by the Common Council of the Municipality (the "Governing Body") on February 16, 2004 (the "2004 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2004, dated March 10, 2004 (the "2004 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 167-12-13 adopted by the Governing Body on April 3, 2013 (the "2013 Resolution"), the Municipality has heretofore issued its Water Utility Revenue Bonds, Series 2013, dated May 1, 2013 (the "2013 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 193-14-15 adopted by the Governing Body on April 20, 2015 (the "2015 Resolution"), the Municipality has heretofore issued its Water Utility Revenue Bonds, Series 2015, dated May 13, 2015 (the "2015 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 155-15-16 adopted by the Governing Body on March 21, 2016 (the "2016 Resolution"), the Municipality has heretofore issued its Water Utility Revenue Refunding Bonds, Series 2016, dated April 20, 2016 (the "2016 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 124-17-18 adopted by the Governing Body on February 5, 2018 (the "2018 Resolution"), the Municipality has heretofore issued its Water Utility Revenue Bonds, Series 2018, dated March 1, 2018 (the "2018 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, the 2004 Bonds, the 2013 Bonds, the 2015 Bonds, the 2016 Bonds and the 2018 Bonds shall collectively be referred to as the "Prior Bonds"; and

WHEREAS, the 2004 Resolution, the 2013 Resolution, the 2015 Resolution, the 2016 Resolution and the 2018 Resolution shall collectively be referred to as the "Prior 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. 4901-09 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-2021-0679 and dated October 28, 2021 and No. W-2021-0679A and dated November 1, 2021 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 has heretofore issued its Taxable Water Utility Revenue Bond Anticipation Notes, Series 2020B, dated May 18, 2020 (the "Prior Notes") for the purpose of paying a portion of the costs of the Project; and

WHEREAS, pursuant to Section 66.0621(4)(b), Wisconsin Statutes any municipality may also issue new bonds to provide funds for the payment of any outstanding municipal obligations issued for purchasing, acquiring, constructing, extending, adding to, improving, conducting, controlling, operating and managing a public utility; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell water system revenue bonds of the Municipality payable solely from the revenues of the System, pursuant to the provisions of Section 66.0621, Wisconsin Statutes, to pay the cost of the Project and to refund the Prior Notes; and

WHEREAS, the Prior Resolutions permit the issuance of additional bonds on a parity with the Prior Bonds upon certain conditions, and those conditions have been met; and

WHEREAS, other than the Prior Notes and the Prior 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) "Bonds" means the \$39,430,018 Water Utility Revenue Bonds, Series 2022, of the Municipality dated their date of issuance, authorized to be issued by this Resolution;

(d) "Bond Year" means the twelve-month period ending on each May 1;

(e) "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 and capital expenditures;

(f) "Debt Service Fund" means the Water Utility Special Redemption Fund of the Municipality, which shall be the "special redemption fund" as such term is defined in the Act;

(g) "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;

(h) "Fiscal Year" means the twelve-month period ending on each December 31;

(i) "Governing Body" means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(j) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from water 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;

(k) "Municipal Treasurer" means the Treasurer of the Municipality who shall act as Bond Registrar and Paying Agent;

(l) "Municipality" means the City of Sheboygan, Sheboygan County, Wisconsin;

(m) "Net Revenues" means the Gross Earnings of the System after deduction of Current Expenses;

(n) "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 of this Resolution;

(o) "Prior Bonds" means the 2004 Bonds, the 2013 Bonds, the 2015 Bonds, the 2016 Bonds and the 2018 Bonds, collectively;

(p) "Prior Notes" means the Municipality's Taxable Water Utility Revenue Bond Anticipation Notes, Series 2020B, dated May 18, 2020;

(q) "Prior Resolutions" means the 2004 Resolution, the 2013 Resolution, the 2015 Resolution, the 2016 Resolution and the 2018 Resolution, collectively;

(r) "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;

(s) "Record Date" means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date;

(t) "System" means the entire water 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 water system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(u) "2004 Bonds" means the Municipality's Water System Revenue Bonds, Series 2004, dated March 10, 2004;

(v) "2004 Resolution" means Resolution No. 262-03-04 adopted by the Governing Body on February 16, 2004 authorizing the issuance of the 2004 Bonds;

(w) "2013 Bonds" means the Municipality's Water Utility Revenue Bonds, Series 2013, dated May 1, 2013;

(x) "2013 Resolution" means Resolution No. 167-12-13 adopted by the Governing Body on April 3, 2013 authorizing the issuance of the 2013 Bonds;

(y) "2015 Bonds" means the Municipality's Water Utility Revenue Bonds, Series 2015, dated May 13, 2015;

(z) "2015 Resolution" means Resolution No. 193-14-15 adopted by the Governing Body on April 20, 2015 authorizing the issuance of the 2015 Bonds;

(aa) "2016 Bonds" means the Municipality's Water Utility Revenue Refunding Bonds, Series 2016, dated April 20, 2016;

(bb) "2016 Resolution" means Resolution No. 155-15-16 adopted by the Governing Body on March 21, 2016 authorizing the issuance of the 2016 Bonds;

(cc) "2018 Bonds" means the Municipality's Water Utility Revenue Bonds, Series 2018, dated March 1, 2018; and

(dd) "2018 Resolution" means Resolution No. 124-17-18 adopted by the Governing Body on February 5, 2018 authorizing the issuance of the 2018 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) and refunding the Prior Notes, there shall be borrowed on the credit of the income and revenue of the System up to the sum of \$39,430,018; 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.

The Governing Body hereby determines that the refunding of the Prior Notes is advantageous and necessary to the Municipality.

Section 3. Terms of the Bonds. The Bonds shall be designated "Water Utility Revenue Bonds, Series 2022" (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, 2022 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 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, on a parity with the pledge granted to the holders of the Prior 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 Prior 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 Prior Bonds, the Bonds and Parity Bonds, certain funds of the System which were created or continued by the Prior Resolutions are hereby further continued and shall be used solely for the following respective purposes:

- (a) Water Utility 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 Debt Service Fund, the Depreciation 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) Water Utility Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses.
- (c) Water Utility Special Redemption Fund (the "Debt Service Fund"), which shall be divided into two separate accounts to be known as the "Interest and Principal Account" and "Reserve Account". The Interest and Principal Account shall be used for the payment of the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and Parity Bonds as the same becomes due. The Reserve Account shall be used only for the purpose of paying the principal of or interest on the 2013 Bonds, 2016 Bonds and 2018 Bonds and any future Parity Bonds secured thereby at any time when there shall be insufficient money in the Interest and Principal Account. The 2004 Bonds, 2015 Bonds and the Bonds are not secured by the Reserve Account and amounts on the deposit in the Reserve Account shall under no circumstances be used to pay principal or interest on the 2004 Bonds, 2015 Bonds or Bonds.
- (d) Water Utility Depreciation Fund (the "Depreciation Fund"), which shall be used primarily to make good any depreciation in the System, to repairs, replacements, new construction, extensions or additions to the System, and, any amount on deposit in the Depreciation Fund not required during the current Fiscal Year may be transferred to the Surplus Fund and used as provided in Section 6(e) hereof but which also may be used for the payment of principal

of and interest on the Prior Bonds, Bonds and any Parity Bonds at any time when there shall be insufficient money in the Special Redemption Fund and to remedy any deficiency in the Special Redemption Fund; and

- (e) Water Utility Surplus Fund (the "Surplus Fund"), which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Prior Bonds, the Bonds and Parity Bonds when the Debt Service Fund 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 provided in this Section 6 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 the 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 continue to 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 Debt Service 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 Prior Bonds, the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, the Bonds and any Parity Bonds coming due during such Bond Year (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source);
- (c) to the Debt Service Fund, for monthly transfer to the Reserve Account thereof, the amount (if any) required by the Prior Resolutions or future resolutions authorizing the issuance of Parity Bonds secured thereby;
- (d) to the Depreciation Fund, an amount determined from time to time by the Governing Body to provide a proper and adequate depreciation account for the System; any money on deposit in the Depreciation Fund, and not required during the current Fiscal Year for the purposes of said fund, may be transferred to the Surplus Fund; and,

- (e) 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 Debt Service Fund, the Depreciation 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 (e) 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 Prior Bonds, the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to provide any amounts required to be paid monthly into the Reserve Account.

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 Prior Bonds, 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 Water 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 water 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 Prior 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 parity with the Prior Bonds as to the pledge of revenues of the System. No bonds or obligations payable out of the revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds. Parity Bonds may be issued only under the following circumstances:

(a) 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

(b) Additional Parity Bonds may also be issued if all of the following conditions are met:

(1) 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 certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

(2) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.

(3) 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.

(4) 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 \$39,430,018 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 "Water System SDWLP Project Fund." The Water System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project and refunding expended proceeds of the Prior Notes as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Water 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 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. Redemption of the Prior Notes. The Governing Body hereby calls the Prior Notes for redemption on June 24, 2022 or as soon as practicable thereafter. The Governing Body directs its officers and agents to cause a notice of redemption, in substantially the form attached hereto as Exhibit B, to be provided as set forth on Exhibit B.

Section 20. Conflicting Resolutions. All ordinances, resolutions (other than the Prior 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 Prior Resolutions, the Prior Resolutions shall control as long as any of the respective Prior Bonds are outstanding.

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin on the _____ day of _____, 2022.

Dated _____ 20____, _____, City Clerk

Approved _____ 20____, _____, Mayor

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____UNITED STATES OF AMERICA
STATE OF WISCONSIN
SHEBOYGAN COUNTY
CITY OF SHEBOYGANREGISTERED
\$ _____WATER UTILITY REVENUE BOND, SERIES 2022Final
Maturity Date

May 1, 2052

Date of
Original Issue

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN
PROGRAM

FOR VALUE RECEIVED the City of Sheboygan, Sheboygan County, 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, 2022.

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.

The Bonds shall not be redeemable prior to their 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 Water System of the Municipality and refunding obligations of the Municipality issued for that purpose, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted May 16, 2022, and entitled: "A Resolution Authorizing the Issuance and Sale of Up to \$39,430,018 Water Utility Revenue Bonds, Series 2022, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Water System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Water System Revenue Bonds, Series 2004, dated March 10, 2004, Water Utility Revenue Bonds, Series 2013, dated May 1, 2013, Water Utility Revenue Bonds, Series 2015, dated May 13, 2015, Water Utility Revenue Refunding Bonds, Series 2016, dated April 20, 2016 and Water Utility Revenue Bonds, Series 2018, dated March 1, 2018, 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 SHEBOYGAN,
WISCONSIN

(SEAL)

By: _____
Ryan Sorenson
Mayor

By: _____
Meredith DeBruin
City Clerk

COPY

(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

\$39,430,018

CITY OF SHEBOYGAN, WISCONSIN
WATER UTILITY REVENUE BONDS, SERIES 2022

<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	\$ 994,407.36
May 1, 2025	1,015,737.40
May 1, 2026	1,037,524.97
May 1, 2027	1,059,779.88
May 1, 2028	1,082,512.15
May 1, 2029	1,105,732.04
May 1, 2030	1,129,449.99
May 1, 2031	1,153,676.70
May 1, 2032	1,178,423.06
May 1, 2033	1,203,700.23
May 1, 2034	1,229,519.60
May 1, 2035	1,255,892.80
May 1, 2036	1,282,831.70
May 1, 2037	1,310,348.44
May 1, 2038	1,338,455.42
May 1, 2039	1,367,165.28
May 1, 2040	1,396,490.98
May 1, 2041	1,426,445.71
May 1, 2042	1,457,042.97
May 1, 2043	1,488,296.54
May 1, 2044	1,520,220.50
May 1, 2045	1,552,829.23
May 1, 2046	1,586,137.42
May 1, 2047	1,620,160.07
May 1, 2048	1,654,912.50
May 1, 2049	1,690,410.38
May 1, 2050	1,726,669.68
May 1, 2051	1,763,706.75
May 1, 2052	1,801,538.25

EXHIBIT BNOTICE OF FULL CALL*

CITY OF SHEBOYGAN
SHEBOYGAN COUNTY, WISCONSIN
TAXABLE WATER UTILITY REVENUE BOND ANTICIPATION NOTES, SERIES 2020B
DATED MAY 18, 2020

NOTICE IS HEREBY GIVEN that the Notes of the above-referenced issue which mature on the date and in the amount; bears interest at the rate; and have a CUSIP No. as set forth below have been called for prior payment on June 24, 2022 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
05/01/2024	\$3,100,000	1.25%	821037FD5

Upon presentation and surrender of said Notes to Associated Trust Company, National Association, Green Bay, Wisconsin, the registrar and fiscal agent for said Notes, the registered owners thereof will be paid the principal amount of the Notes plus accrued interest to the date of prepayment.

Said Notes will cease to bear interest on June 24, 2022.

By Order of the
Common Council
City of Sheboygan
City Clerk

Dated _____

* To be provided to Associated Trust Company, National Association at least thirty-five (35) days prior to June 24, 2022. The registrar and fiscal agent shall be directed to give notice of such prepayment by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by The Depository Trust Company, to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to June 24, 2022 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

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 SHEBOYGAN

\$39,430,018

FINANCIAL ASSISTANCE AGREEMENT

Dated as of June 22, 2022

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. 59281
Safe Drinking Water Loan Program Project No. 4901-09

TABLE OF CONTENTS

ARTICLE I
DEFINITIONS; RULES OF INTERPRETATION

Section 1.01.	Definitions	2
Section 1.02.	Rules of Interpretation	4

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	10
Section 3.02.	Loan Amortization	10
Section 3.03.	Type of Municipal Obligation and Security	10
Section 3.04.	Sale and Redemption of Municipal Obligations	11
Section 3.05.	Disbursement of Loan Proceeds	11
Section 3.06.	Remedies	12
Section 3.07.	Security for the Loan	13
Section 3.08.	Effective Date and Term	13

ARTICLE IV
CONSTRUCTION OF THE PROJECT

Section 4.01.	Insurance	14
Section 4.02.	Construction of the Project	14
Section 4.03.	Performance Bonds	14
Section 4.04.	Completion of the Project	14
Section 4.05.	Payment of Additional Project Costs	15
Section 4.06.	No Warranty Regarding Condition, Suitability, or Cost of Project	15

ARTICLE V
COVENANTS

Section 5.01.	Application of Loan Proceeds	16
Section 5.02.	Operation and Maintenance	16
Section 5.03.	Compliance with Law	16
Section 5.04.	Public Ownership	16
Section 5.05.	Establishment of Project Accounts; Audits	16
Section 5.06.	Records	17
Section 5.07.	Project Areas	17
Section 5.08.	Engineering Inspection	17
Section 5.09.	Tax Covenants	17
Section 5.10.	User Fee Covenant	17
Section 5.11.	Notice of Impaired System	18
Section 5.12.	Hold Harmless	18
Section 5.13.	Nondiscrimination Covenant	18
Section 5.14.	Employees	18
Section 5.15.	Adequate Funds	18
Section 5.16.	Management	19

Section 5.17.	Reimbursement	19
Section 5.18.	Unpaid User Fees	19
Section 5.19.	Rebates	19
Section 5.20.	Maintenance of Legal Existence	19
Section 5.21.	Wage Rate Requirements	19
Section 5.22.	Use of American Iron and Steel	19
Section 5.23.	Federal Single Audit	20
Section 5.24.	Federal Equivalency Project	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	21
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	22

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
EXHIBIT H	LIST OF FEDERAL LAWS AND AUTHORITIES

WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated June 22, 2022, 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 Sheboygan, 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 30, 2021, 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 the City of Sheboygan, 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 the Municipality's \$3,152,000 Water System Revenue Bonds, Series 2004, dated March 10, 2004; the Municipality's \$3,122,030 Water System Revenue Bonds, Series 2015, dated March 10, 2004; the Municipality's \$3,000,000 Water Utility Revenue Bonds, Series 2013, dated May 13, 2015; the Municipality's \$2,115,000 Water Utility Revenue Bonds, Series 2016, dated April 20, 2016; the Municipality's \$4,705,000 Water Utility Revenue Bonds, Series 2018, dated March 1, 2018; and 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 Nos. W-2021-0679, approved by DNR on October 28, 2021, and W-2021-0679A, approved by DNR on November 1, 2021, 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. 4901-09 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.

"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 2022 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 \$39,430,018 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 will 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 shall comply with and complete all requirements of DNR necessary to commence construction of the Project. 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 will 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 will 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 expected Substantial Completion date of the Project is February 6, 2024.

(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 \$39,430,018. 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 June 22, 2022. 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 30 years from the date of this FAA and shall mature and be fully amortized not later than 30 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 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 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 120 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 Parity 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 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.

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; and

- (4) obtain all required permits and authorizations from appropriate authorities 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 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. To the extent applicable, the Municipality shall comply with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards (Uniform Guidance) For auditor's reference, the SDWLP Project falls under Catalog of Federal Domestic Assistance number 66.468

Section 5.24. Federal Equivalency Project The Municipality covenants that the Project shall comply with federal requirements applicable to activities supported with federal funds, a list of which is included as Exhibit H of this FAA.

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 SHEBOYGAN
828 CENTER AVENUE
SHEBOYGAN WI 53081

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 SHEBOYGAN

By: _____
Ryan Sorenson
Mayor

Attest: _____
Meredith DeBruin
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 SHEBOYGAN
SDWLP Project No. 4901-09

	Total Project Costs	Ineligible Costs	Eligible Costs Paid by Other Funding Sources**	Net SDWLP Loan Amount
Force Account	\$ 0	0	\$ 0	\$ 0
Interim Financing*	0	0	0	0
Preliminary Engineering	2,783,297	0	0	2,783,297
Land or Easement Acquisition	0	0	0	0
Engineering/Construction Mgmt.	3,495,000	0	0	3,495,000
Construction/Equipment	41,289,000	0	11,550,000	29,739,000
Contingency	2,064,450	0	0	2,064,450
Miscellaneous Costs	1,305,271	0	0	1,305,271
SDWLP Closing Costs	43,000	0	0	43,000
TOTAL	\$50,980,018	0	\$11,550,000	\$39,430,018

* A total \$77,500 of interest will have accrued on the Municipality's \$3.1 million interim financing bond anticipation note by the time the note is paid off. This is a Project cost, but the Municipality is covering all interim financing interest with their own funds, and the interest cost is not included in the above budget. The Municipality already paid much of the interest but will pay the remaining \$5,704.86 with additional internal funds on June 24, 2022, when they pay off the BAN using proceeds from the SDWLP Loan.

** The Municipality is using \$9.5 million of ARPA funds and \$2.0 million of directed spending funds from the nationwide allocation of funds to the safe drinking water state revolving funds to pay project costs.

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 SHEBOYGAN
SDWLP Project No. 4901-09

1. Project Description: The Project includes construction of a new raw water intake pipe, a piping stub for a future raw water intake, a new raw water pump station, a new shorewell, and yard piping. The raw water pump station will be a building comprised of four rooms on the main operating level, including the main pump room, a permanganate chemical feed room, a natural gas generator room, and an electrical room. A bridge crane will be installed in the main pump room to allow for low lift pump and motor servicing and removal.

Security fencing will be installed around the pump station, and new security lighting and other security measures will be connected to SCADA. Floor drains to be installed in the pump station will discharge to a sanitary lift station north of the pump station.

A new 60-inch diameter intake pipe will be constructed to extend northeast from the new shorewell building to approximately 6,500 feet into Lake Michigan. The intake may be reduced to 5,500 feet; if the Municipality chooses to reduce the length of the intake pipe, they must inform DNR and receive a revised approval for the change. The water depth at the proposed inlet location is 44.5 feet. The 60-inch diameter pipe will be trenched 3 feet into the lakebed and slope upward. The intake is sized for a maximum capacity of 36 million gallons per day. Four inlet cones, each having a 7-foot internal diameter, will be constructed to extend two feet above the surrounding rock cover with a water depth of 45 feet.

The Project also includes a redundant secondary 60-inch diameter intake pipe to be located approximately 11.5 feet southeast of the new 60-inch primary intake. The secondary pipe will run approximately 150 feet parallel to the new intake pipe and then be directed east northeast for another 250 feet, making the total stub length 400 feet to be located at a water depth of 8 to 10 feet.

A new shorewell into which the new intake pipes will discharge will be constructed beneath the new raw water pump station. Water will move through traveling screens in the shorewell into a new 23-foot long by 31-foot wide by 33-foot tall raw water pump station wet well to be located beneath the floor of the raw water pump station.

Four new raw water pumps will be installed in the main pump room of the raw water pump station. The pumps will draw water from the raw water wet well and discharge to the water treatment plant. The pumping rate of each new pump will be controlled by a variable frequency drive unit. Raw water discharge piping will be installed for the new pumps. New treatment plant supply piping will be installed to connect to the existing treatment plant header piping upstream of the rapid mix supply piping. An existing 20-inch diameter finished water main must be rerouted due to a conflict with the new raw water pump station location. A new 8-inch diameter service off the 20-inch diameter finished water main will be used to supply the raw water pump station. This line can also be used for backflushing.

A new sodium permanganate chemical feed system will be installed in the raw water pump station. Two new natural gas-fueled engine generator sets will be installed in the generator room. These generators will be able to provide power for almost the entire electrical demand of the raw water pump station. An automatic transfer switch will be installed at the raw water pump station. An alarm will be connected to the utility's existing SCADA system to alert operators if the generator fails to start.

The Project also includes installation of a new SCADA system with new PLC equipment to be installed at the raw water pump station to allow for communication via ethernet and for control of water system operations. The Municipality will use the system to operate and monitor the chemical feed system and raw water pumps.

Because this Project includes construction in one of the Great Lakes, the Municipality was required to obtain approvals from DNR and the U.S. Army Corp of Engineers before moving forward with the Project. The Municipality received the required approvals.

2. **Ineligible Costs:** No ineligible costs were identified in the review of this Project. If the Department identifies ineligible costs as the Project progresses, the Department will notify the Municipality.
3. **Other Funding Sources:** The Municipality will use \$9,550,000 of its ARPA funds and a \$2,000,000 grant from the nationwide allocations of state revolving funds to pay a portion of the Project costs.
4. **Miscellaneous Costs:** As shown in the Project Budget Sheet (Exhibit A), SDWLP funding in the amount of \$1,305,271 is included in the Miscellaneous category for permits and insurance.
5. **Contingency Allowance:** The contingency allowance of \$2,064,450 is five percent of the amount of uncompleted construction work. The Municipality must obtain CME approval of change orders **prior to** requesting reimbursement.
6. **DBE Good Faith Effort:** The Municipality and its prime contractor made good faith efforts to obtain DBE participation in the Project. The Municipality through its bid advertisement encouraged DBEs to submit bids for the prime contract. The prime contractor made multiple direct contacts to DBEs and placed advertisements for DBE participation in the Project in two different appropriate media sources. However, no DBEs are being utilized on the Project.
7. **Green Project Reserve:** When this Project is complete, the Municipality will have only two lake intakes- the proposed 60-inch lake intake and the existing 1959 36-inch backup intake. The proposed 60-inch intake will result in lower intake velocities and thus reduce the turbulence that promotes frazil ice formation. The Municipality anticipates this arrangement will eliminate the need for the special winter operations schedule at the water treatment plant that currently results in longer daytime pumping and higher electricity costs. The new lake intake will draw water at a greater distance from shore and at a greater depth than the existing intakes, which should result in less turbid water at the water treatment plant. The Municipality also anticipates that the higher quality water will reduce the need for treatment chemicals such as aluminum sulfate and sodium hypochlorite, resulting in reductions in sludge formation and disposal costs.

Green Infrastructure	\$0
Water Efficiency	\$50,000
Energy Efficiency	\$400,000
Environmentally Innovative	\$100,000
<i>TOTAL Green Project Reserve Funding</i>	<i>\$550,000</i>

8. **American Iron and Steel:** This Project is subject to the use of American Iron and Steel (UAIS) requirements mandated under EPA's Drinking Water State Revolving Fund program.
9. **Environmental Review:** The SDWLP has determined through an Environmental Assessment that this Project will result in a Finding of No Significant Impact (FONSI) with a recommendation to utilize the following erosion guidance:

The Project site is located along and in Lake Michigan. Therefore, DNR strongly recommends implementing turbidity, erosion, and runoff prevention measures throughout construction of the Project.

Please note that erosion control netting (also known as erosion control blankets, erosion mats, or erosion mesh netting) used to prevent erosion during the establishment of vegetation can have detrimental effects on local snake and other wildlife populations. Plastic netting without independent movement of strands can easily entrap snakes moving through the area, leading to dehydration, desiccation, and eventually mortality. Netting that contains biodegradable thread with the “leno” or “gauze” weave (contains strands that are able to move independently) appears to have the least impact on snakes and should be used in areas adjacent to or near any waterbody.

If erosion matting will be used for this Project, use the following matting (or something similar): American Excelsior “FibreNet” or “NetFree” products; East Coast Erosion biodegradable jute products; Erosion Tech biodegradable jute products; ErosionControlBlanket.com biodegradable leno weave products; North American Green S75BN, S150BN, SC150BN or C125BN; or Western Excelsior “All Natural” products.

10. Federal Single Audit: This Project is being financed with federal funds and is subject to the Federal Single Audit requirements referenced in Section 5.23 of this FAA. If the Municipality receives more than \$750,000 of money that originates from any federal source in a calendar year, then it must commission a Federal Single Audit as part of its regular financial audit. The Catalog of Federal Domestic Assistance number is 66.468 for drinking water project disbursements funded with federal money.

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 Sheboygan	Project Number: 4901-09	Loan/Grant Amount: \$39,430,018
Project Description: New Water Intake Pipe, Shore Well, & Low-Lift Pump Station		
Did the municipality satisfy the MBE/WBE requirements? <input checked="" type="checkbox"/> Yes <input 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: C. D. Smith Construction, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	\$41,289,000	
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			
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: CDM Smith, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A		\$6,274,997	
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: Wisc Public Finance Professionals	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A		\$3,300	
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 Sheboygan (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 4901-09 (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. 4901-09 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: _____

EXHIBIT H

LIST OF FEDERAL LAWS AND AUTHORITIESENVIRONMENTAL:

- Archaeological and Historic Preservation Act of 1974, PL 93-291
- Clean Air Act, 42 U.S.C. 7506(c)
- Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq.
- Coastal Zone Management Act of 1972, PL 92-583, as amended
- Endangered Species Act, 16 U.S.C. 1531 et seq.
- Executive Order 11593, Protection and Enhancement of the Cultural Environment
- Executive Order 11988, Floodplain Management
- Executive Order 11990, Protection of Wetlands
- Farmland Protection Policy Act, 7 U.S.C. 4201 et seq.
- Fish and Wildlife Coordination Act, PL 85-624, as amended
- National Historic Preservation Act of 1966, PL 89-665, as amended
- Safe Drinking Water Act, Section 1424(e), PL 92-523, as amended
- Wild and Scenic Rivers Act, PL 90-542, as amended

ECONOMIC:

- Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended
- Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants or Loans

SOCIAL LEGISLATION:

- Age Discrimination Act, PL 94-135
- Civil Rights Act of 1964, PL 88-352
- Section 13 of PL 92-500, Prohibition against sex discrimination under the Federal Water Pollution Control Act
- Executive Order 11246, Equal Employment Opportunity
- Executive Orders 11625, 12138 and 12432, Women and Minority Business Enterprise
- Rehabilitation Act of 1973, PL 93-112 (including Executive Orders 11914 and 11250)

MISCELLANEOUS AUTHORITY:

- Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646
- Executive Order 12549, Debarment and Suspension
- Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards (Uniform Guidance).

III

Res. No. 8 - 22 - 23. By Alderpersons Mitchell and Filicky-Peneski.
May 2, 2022.

A RESOLUTION authorizing the appropriate City officials to enter into a new Memorandum of Agreement with the State of Wisconsin Department of Agriculture, Trade and Consumer Protection for provision of weights and measures inspection services.

WHEREAS, the City of Sheboygan had previously entered into a contract with the Department of Agriculture, Trade and Consumer Protection for weights and measures inspection services; and

WHEREAS, the Bureau of Weights and Measures recently conducted an analysis of its inspection program and determined that a decrease in the number of inspection days in the contract is warranted.

NOW, THEREFORE, BE IT RESOLVED: That the Director of Planning and Development is hereby authorized to enter into a new Memorandum of Agreement - Weights and Measures Inspection, a copy of which is attached hereto, for the State of Wisconsin Department of Agriculture, Trade and Consumer Protection to furnish inspection services and perform the duties of sealers of weights and measures for the City of Sheboygan annually commencing July 1, 2022.

BE IT FURTHER RESOLVED: That the Finance Director is hereby authorized and directed to draw on the Building Inspection Contracted Services Account No. 10123100-521900 in payment of same.

FP

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

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

MEMORANDUM OF AGREEMENT WEIGHTS AND MEASURES INSPECTION

THIS AGREEMENT is entered into by and between the STATE OF WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION, hereinafter referred to as the Department, and the MUNICIPALITY OF SHEBOYGAN, hereinafter referred to as the Municipality.

Pursuant to Wis. Stat. § 98.04(2), the Department agrees to furnish the services and perform the duties required to enforce the provisions of Wis. Stat. ch. 98 in the Municipality. The Department further agrees to report to the Municipality at least annually on the extent and nature of the services performed. It is understood and agreed that the Municipality shall not be required to maintain a department of weights and measures or appoint sealers of weights and measures while this agreement is in effect.

Pursuant to Wis. Stat. §§ 66.0301 and 98.04(2), the Municipality agrees to pay to the Department fees sufficient to cover the Department's annual costs of providing such services on a fiscal year basis that starts on July 1 and continues through the following June 30, with payment to be made not later than May 1 of the fiscal year of this agreement. Payment for services performed by the Department for less than any contract period shall be prorated accordingly.

This agreement shall be self-renewing for succeeding fiscal year periods, except that the sum to be paid to the Department for services rendered shall be subject to renegotiation for each succeeding contract period based on the cost of providing services. This agreement may be terminated at the end of any fiscal year by either party giving the other party written notice at least 60 days prior to July 1 of the following fiscal year. Annual fees payable to the Department shall be in the amount of \$7,200.00, except as otherwise agreed upon for succeeding contract periods. Under Wis. Stat. § 98.04(2), a municipality may recover an amount not to exceed the cost of fees paid to the Department by assessing fees on the persons who receive services under the weights and measures program.

The parties have entered into this agreement effective the 1st day of July 2022.

WISCONSIN DEPARTMENT OF
AGRICULTURE, TRADE AND CONSUMER
PROTECTION

By _____ Date _____
Signature

Administrator
Division of Trade & Consumer Protection
(608) 224-4929

MUNICIPALITY OF SHEBOYGAN

By _____ Date _____
Signature
Chad Pelishek
Dir. of Planning
and Development 920-459-3377
Title Telephone Number

This Agreement is authorized by and in
accordance with Res. No. ____-22-23.

Res. No. 11 - 22 - 23. By Alderpersons Dekker and Perrella.
May 2, 2022.

A RESOLUTION authorizing the appropriate City officials to enter into a contract with Buteyn-Peterson Construction Company, Inc. for the construction of the St. Clair Avenue - 2022 Street Improvements.

WHEREAS, the City of Sheboygan has advertised for bids to construct the St. Clair Avenue - 2022 Street Improvements (the "Project"); and

WHEREAS, two bids were received in response to that advertisement; and

WHEREAS, the low bid was from Buteyn-Peterson Construction Company, Inc. for \$597,526.94; and

WHEREAS, the low bid includes work to be paid for by the Sheboygan Water Utility in the amount of \$13,500; and

WHEREAS, the City Engineer has reviewed the bids and determined that the low bid met all of the specifications; and

WHEREAS, pursuant to Res. No. 486-93-94, a Declaration of Official Intent to reimburse expenditures related to the Project has been completed.

NOW, THEREFORE, BE IT RESOLVED: That the appropriate City officials are hereby authorized to enter into the attached agreement with Buteyn-Peterson Construction Company, Inc. for the construction of the Project.

Public Works


BE IT FURTHER RESOLVED: That the appropriate City officials are authorized to draw funds from the following accounts upon the agreement being fully executed by all parties, to pay for the construction done pursuant to the agreement:

Account #40033140-631200 (Street Improvements)	\$201,731.44
Account #21961100-631100 (CDBG-Improvements other than Buildings)	\$234,000.00
Account #60134110-649200 (Wastewater Fund - Sanitary)	\$148,295.50

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

Dated _____ 20 . _____, City Clerk

Approved _____ 20 . _____, Mayor

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	A3 - 00 52 00	
		Bid Number:	2470-22	Page:

**AGREEMENT
 BETWEEN OWNER AND CONTRACTOR
 FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)**

THIS AGREEMENT is by and between City of Sheboygan ("Owner"), Sheboygan Water Utility ("Utility"), and Buteyn-Peterson Construction, Inc. ("Contractor"). Owner, Utility, and Contractor hereby agree as follows:

ARTICLE 1 – WORK

- 1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: municipal street and utility construction.

ARTICLE 2 – THE PROJECT


- 2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: St. Clair Avenue – 2022 Street Improvements (N. 14th Street to N. 9th Street).
- 2.02 Owner and Utility are responsible for payment of the items as identified herein:
- A. Owner Items: Items Codes without SWU, as defined in contractor's bid
 - 1. Owner Resolution: _____
 - 2. Owner Account Number: 40033140-631200 and 21961100-631100
 - B. Utility Items: Items Codes starting with SWU, as defined in contractor's bid
 - 1. Utility Resolution Number: _____
 - 2. Utility Account Number: _____

ARTICLE 3 – ENGINEER

- 3.01 The part of the Project that pertains to the Work has been designed by the City of Sheboygan.
- 3.02 The Engineering Division, Department of Public Works, City of Sheboygan, Sheboygan, WI will assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

- 4.01 *Time of the Essence*
- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.
- 4.02 *Contract Times: Dates*
- A. The Work will be substantially completed on or before November 1, 2022 and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before the 14th day following substantial completion.
- 4.03 *Milestones*
- A. Parts of the Work must be substantially completed on or before the following Milestone(s):
 - 1. Milestone 1: Complete and ready for final payment on or before August 23, 2022.

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	A3 - 00 52 00	
		Bid Number:	2470-22	Page: 2 of 7


- a. All work included in Alternate 1 or Alternate 2, if selected,
- b. Sanitary manhole lining between N. 13th Street and N. 14th Street.
- c. Sanitary Relay between N. 13th Street and N. 14th Street.

4.04 *Liquidated Damages*

- A. Contractor and Owner, and Utility recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner and Utility will suffer financial and other losses if the Work is not completed and Milestones not achieved within the Contract Times, as duly modified. The parties also recognize the delays, expense, and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by Owner and Utility if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):
 1. Substantial Completion: Contractor shall pay Owner the amount identified in paragraph 19.01 of the Supplementary Conditions for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
 2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner the amount identified in paragraph 19.01 of the Supplementary Conditions for each day that expires after such time until the Work is completed and ready for final payment.
 3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.
 4. Milestones: Contractor shall pay Owner the amount identified in paragraph 19.01 of the Supplementary Conditions for each day that expires after the time (as duly adjusted pursuant to the Contract) specified above for achievement of each Milestone, until Milestone is achieved.
- B. If Owner recovers liquidated damages for a delay in completion by Contractor, then such liquidated damages are Owner's sole and exclusive remedy for such delay, and Owner is precluded from recovering any other damages, whether actual, direct, excess, or consequential, for such delay, except for special damages (if any) specified in this Agreement.

4.05 *Special Damages*

- C. In addition to the amount provided for liquidated damages, Contractor shall reimburse Owner and Utility (1) for any fines or penalties imposed on Owner or Utility as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner or Utility for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.
- D. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner and Utility for the actual costs reasonably incurred by Owner and Utility for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	A3 - 00 52 00	
		Bid Number:	2470-22	Page: 3 of 7

(as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.

ARTICLE 5 – CONTRACT PRICE

5.01 Owner and Utility shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

- A. For all Unit Price Work, an amount equal to the sum of the extended prices (established for each separately identified item of Unit Price Work by multiplying the unit price times the actual quantity of that item) as stated in Contractor's Bid, attached hereto as an exhibit.
- B. The extended prices for Unit Price Work set forth as of the Effective Date of the Contract are based on estimated quantities. As provided in Paragraph 13.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer.


ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer and Utility as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

- A. Owner and Utility shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on the third Wednesday of the Month during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.
 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner and Utility may withhold, including but not limited to liquidated damages, in accordance with the Contract
 - a. 95 percent of Work completed (with the balance being retainage). If the Work has been 50 percent completed as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner, Utility and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner, Utility and Engineer, there will be no additional retainage; and
 - b. 0 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
- B. Upon Substantial Completion, Owner and Utility shall pay an amount sufficient to increase total payments to Contractor to 100 percent of the Work completed, less such amounts set off by Owner or Utility pursuant to Paragraph 15.01.E of the General Conditions, and less 200 percent of Engineer's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	A3 - 00 52 00	
		Bid Number:	2470-22	Page: 4 of 7

6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner and Utility shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.


6.04 *Interest*

- A. All amounts not paid when due shall bear interest at the rate of 0 percent per annum.

ARTICLE 7 – CONTRACT DOCUMENTS

7.01 *Contents*

- A. The Contract Documents consist of the following:
1. This Agreement.
 2. Bonds:
 - a. Performance bond (together with power of attorney).
 - b. Payment bond (together with power of attorney).
 3. Specifications as listed in the table of contents of the project manual (copy of list attached and incorporated by reference).
 4. Drawings as listed in the table of contents of the drawings (copy of list attached and incorporated by reference).
 5. Federal Labor Provisions (HUD 4010), Wage Determinations, Affirmative Action Requirements, Contract Language Requirements, Equal Opportunity Clause and Section 3 Contract Requirements as identified in Section 00 43 43 – Federal Requirements (not attached but incorporated by reference)
 6. Addenda (not attached but incorporated by reference)
 - a. Number 1 dated 3/22/2022,
 - b. Number 2 dated 3/23/2022,
 - c. Number 3 dated 3/28/2022,
 - d. Number 4 dated 3/31/2022.
 7. Exhibits to this Agreement (enumerated as follows):
 - a. Contractor's Bid consisting of 2
 8. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed,
 - b. Work Change Directives,
 - c. Change Orders,
 - d. Field Order,
 - e. Task Orders.


PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	A3 - 00 52 00	
		Bid Number:	2470-22	Page: 5 of 7

- B. The Contract Documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the Contract.

ARTICLE 8 – ARTICLE 8—REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS

8.01 *Contractor's Representations*

- A. In order to induce Owner and Utility to enter into this Contract, Contractor makes the following representations:
 - 1. Contractor has examined and carefully studied the Contract Documents, including Addenda.
 - 2. Contractor has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - 3. Contractor is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.
 - 4. Contractor has carefully studied the reports of explorations and tests of subsurface conditions at or adjacent to the Site and the drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, with respect to the Technical Data in such reports and drawings.
 - 5. Contractor has carefully studied the reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, with respect to Technical Data in such reports and drawings.
 - 6. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Technical Data identified in the Supplementary Conditions or by definition, with respect to the effect of such information, observations, and Technical Data on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (c) Contractor's safety precautions and programs.
 - 7. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 - 8. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 - 9. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and of

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	A3 - 00 52 00	
		Bid Number:	2470-22	Page: 6 of 7

discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.

10. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.


8.02 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
 1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner or Utility, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

8.03 *Standard General Conditions*

- A. Owner and Utility stipulate that if the General Conditions that are made a part of this Contract are EJCDC® C-700, Standard General Conditions for the Construction Contract (2018), published by the Engineers Joint Contract Documents Committee, and if Owner is the party that has furnished said General Conditions, then Owner has plainly shown all modifications to the standard wording of such published document to the Contractor, through a process such as highlighting or "track changes" (redline/strikeout), or in the Supplementary Conditions.

(Continued on next page)

PROJECT MANUAL			
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement
		Section:	A3 - 00 52 00
		Bid Number:	2470-22

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on _____ (which is the Effective Date of the Contract).

OWNER:

City of Sheboygan

By:

(signature)

Name,

Title: Ryan Sorenson, Mayor

Date: _____

Attest:

By:

(signature)

Name,

Title: Meredith DeBruin, City Clerk

Date: _____

Signatures authorized pursuant to Res. ____-21-22.

Address for giving notices:

City of Sheboygan – Engineering Division
 2026 New Jersey Avenue
 Sheboygan, WI 53081

CONTRACTOR:

Buteyn-Peterson Construction, Inc.

By:

(signature)

Name,

Title:

(printed)

Date: _____

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Address for giving notices:

Sheboygan Water Utility

Approved as to form and Execution:

By:

(signature)

Name,

Title: Charles C. Adams, City Attorney

Date: _____

By:


(signature)

Name,

Title:


(printed)

Date: _____

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Table of Contents	
		Section:	00 01 10	
		Bid Number:	2470-22	Page: 1 of 2

**St. Clair Avenue – 2022 Street Improvements
North 14th Street to North 9th Street**

SECTION	TITLE	Pages
00 00 00	PROCUREMENT AND CONTRACTING REQUIREMENTS	
	Introductory Information	
00 01 01	Cover	1
00 01 10	Table of Contents	2
	Procurement Requirements	
00 11 13	Advertisement for Bids	1
00 21 13	Instructions for Bidders	10
00 41 43	Bid Form	4
00 41 44	Unit Price Worksheet	3
00 41 44.1	Quest Unit Price Worksheet	3
00 42 13	Bid Bond	2
00 45 13	Bidder's Proof of Responsibility	5
00 45 20	Non-Collusion Affidavit – Subcontractor	1
00 45 50	List of Subcontractors	1
	Contracting Requirements	
00 52 00	Agreement	7
00 55 00	Notice to Proceed	1
00 61 13	Performance Bond Form	3
00 61 14	Payment Bond Form	3
00 62 11	Submittal Cover	1
00 62 76	Application for Payment	2
00 63 63	Change Order Form	2
00 65 16	Certificate of Substantial Completion	1
00 65 18	Contractor's Affidavit of Compliance Certification and Release	1
00 65 19	Consent of Surety to Final Payment	1
00 72 00	Standard General Conditions of the Construction Contract – 2018	78
00 73 00	Supplementary Conditions	13
	GENERAL REQUIREMENTS	
01 11 00	Summary of Work	3
01 14 00	Work Restrictions	5
01 21 00	Allowances	1
01 43 00	Quality Assurance	2
01 55 26	Traffic Control	2
01 57 19	Temporary Environmental Controls	2
01 71 23	Alternates	1
01 71 23	Construction Staking	2
01 78 00	Closeout Requirements	1
01 78 19	Project Record Requirements	2
31 00 00	EARTHWORK	
31 25 00	Erosion Control and Site Maintenance	3

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Table of Contents	
		Section:	00 01 10	
		Bid Number:	2470-22	Page: 2 of 2

SECTION	TITLE	Pages
32 00 00	EXTERIOR IMPROVEMENTS	
32 10 01	Bituminous Resurfacing	8
33 00 00	UTILITIES	
33 01 31	Manhole Lining	1
33 01 32	Sewer Lining	5
33 01 32.1	Sewer Televising – Requirements for Digital Data Delivery	1
33 05 09	Sewer Pipe	2
33 05 61	Concrete Manholes, Catch Basins and Inlets	5
	APPENDIX	
	Sheboygan Water Utility – Water Service Pavement Repair Locations	1

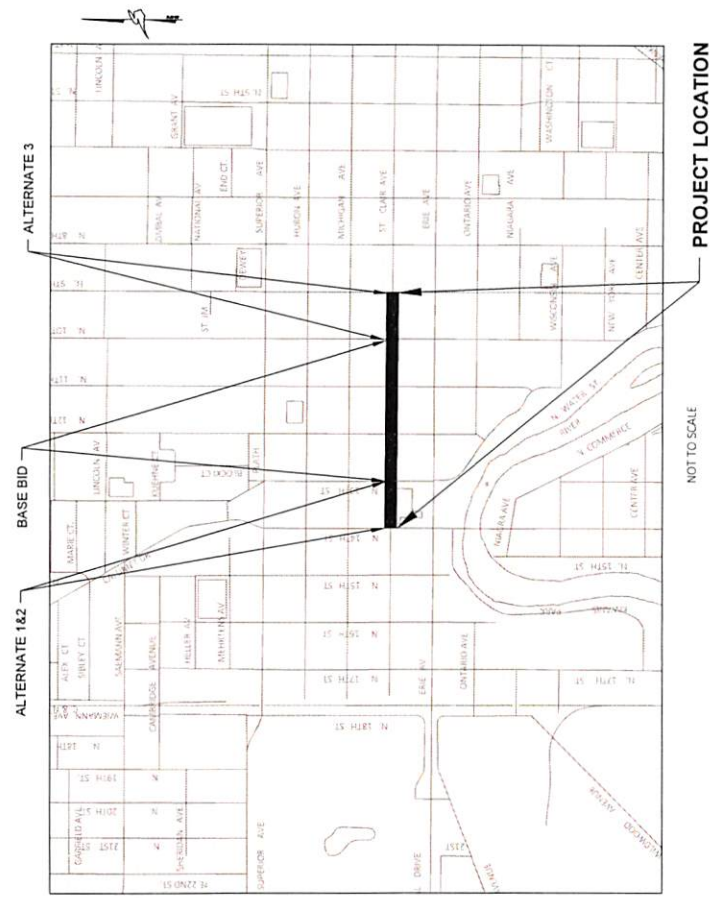
BID NUMBER: 2470-22

CITY OF SHEBOYGAN DEPARTMENT OF PUBLIC WORKS



ST. CLAIR AVE - 2022 STREET IMPROVEMENTS
N 14TH ST - N 9TH ST

MARCH 2022



NOT TO SCALE

INDEX OF SHEETS	
SHEET NO.	DRAWING NO.
1	000 CV
2	001 GN
3	020 OP
4	030 SC
5-7	040 I-3
8-17	040 I-13
18-20	050 RD 1-3
21	051 RD
22	052 RD
23	053 RD
24-25	110 EC 1-2
26	111 EC
27	112 EC
28	113 EC
29	114 EC
30-34	200 SS 1-5
35	201 SS
36	202 SS
37	203 SS
38	305 SM
39	306 SM
40	307 SM
41-43	400 PP 1-3
44	401 PP
45	402 PP
46	403 PP
47-51	600 PD 1-5
52-53	601 PD 1-2
54-55	602 PD 1-2
56-57	603 PD 1-2
58-62	700 MQ 1-5
63-66	900 XS 1-4

ST CLAIR AVE - 2022 STREET IMPROVEMENTS
N 14TH ST - N 9TH ST

TITLE SHEET

CITY OF SHEBOYGAN
PUBLIC WORKS

City of Sheboygan
Department of Public Works
2025 New Jersey Avenue
Sheboygan, WI 53081

Ryan Szczepa, PE - City Engineer

Designed By: TJM

Drawn By: TJM

Checked By: KEJ

Plot Date: 3/17/2022

Plot No.: 2470-22

Project Date: MARCH 2022

Sheet No.: 1

Drawing No.: 000CV

Item 25.

2470-22 St. Clair Avenue ? 2022 Street Improvements (#8150142)

Owner: Sheboygan WI, City of

Solicitor: Sheboygan WI, City of

03/31/2022 02:00 PM CDT

Buteyn-Peterson Construction
Company

Section Title	Line Item	Item Code	Item Description	UofM	Quantity	Unit Price2	Extension3
Public Works							
	1	Base Bid	Mobilization	LS	1	\$30,000.00	\$30,000.00
	2	Base Bid	Traffic Control	LS	1	\$5,600.00	\$5,600.00
	3	Base Bid	Construction Staking	LS	1	\$2,785.56	\$2,785.56
	4	Base Bid	Clearing and Grubbing	Sta	1	\$3,000.00	\$3,000.00
	5	Base Bid	Removing Curb and Gutter	LF	50	\$10.00	\$500.00
	6	Base Bid	Removing Concrete Sidewalk	SY	450	\$20.00	\$9,000.00
	7	Base Bid	Removing Pavement	SY	300	\$8.00	\$2,400.00
	8	Base Bid	Milling Pavement 3-Inch	SY	5850	\$2.95	\$17,257.50
	9	Base Bid	Butt Joints	SY	200	\$6.70	\$1,340.00
	10	Base Bid	Removing Inlets	Each	4	\$250.00	\$1,000.00
	11	Base Bid	Abandoning Inlet Leads	LF	147	\$10.00	\$1,470.00
	12	Base Bid	Reconstruct Manhole ST-19-028	Each	1	\$1,125.00	\$1,125.00
	13	Base Bid	Adjust Manhole Casting Storm	Each	1	\$400.00	\$400.00
	14	Base Bid	Adjust Manhole Casting Sanitary	Each	1	\$400.00	\$400.00
	15	Base Bid	Reconstruct Manhole Sanitary	Each	6	\$1,325.00	\$7,950.00
	16	Base Bid	Sanitary Manhole Frame and Grate	Each	7	\$455.00	\$3,185.00
	17	Base Bid	Adjust Inlet	Each	4	\$475.00	\$1,900.00
	18	Base Bid	Inlets Type N1	Each	4	\$2,000.00	\$8,000.00
	19	Base Bid	Inlet Castings	Each	8	\$675.00	\$5,400.00
	20	Base Bid	Manhole 4-ft Diameter	Each	1	\$2,350.00	\$2,350.00
	21	Base Bid	Storm Manhole Frame and Grate	Each	3	\$455.00	\$1,365.00
	22	Base Bid	HMA Pavement 4 LT 58-28 S	Tons	975	\$81.60	\$79,560.00
	23	Base Bid	Tack Coat (0.06 gal per sy)	Gal	700	\$3.60	\$2,520.00
	24	Base Bid	Concrete Sidewalk 4-Inch	SF	3100	\$6.10	\$18,910.00
	25	Base Bid	Concrete Driveway 6-Inch	SY	20	\$57.50	\$1,150.00
	26	Base Bid	Base Aggregate Dense 1 1/4-Inch	Tons	25	\$25.00	\$625.00
	27	Base Bid	Concrete Base 7-Inch	SY	220	\$50.00	\$11,000.00
	28	Base Bid	Detectable Warning Fields	SF	240	\$32.00	\$7,680.00
	29	Base Bid	Concrete Curb and Gutter 30-Inch Exposed Pan	LF	20	\$48.00	\$960.00
	30	Base Bid	Concrete Curb and Gutter 24-inch Overlaid Pan	LF	50	\$40.00	\$2,000.00
	31	Base Bid	Concrete Curb and Gutter 24-inch Exposed Pan	LF	380	\$45.00	\$17,100.00
	32	Base Bid	Pedestrian Curb	LF	150	\$38.00	\$5,700.00
	33	Base Bid	12-Inch PVC Storm Sewer	LF	189	\$90.00	\$17,010.00
	34	Base Bid	Relay Sanitary Sewer 10-Inch PVC (12' Depth)	Each	1	\$8,150.00	\$8,150.00
	35	Base Bid	Relay Sanitary Sewer 24" PVC (7' Depth)	Each	1	\$0.01	\$0.01
	36	Base Bid	Storm Sewer Lining 10-Inch	LF	430	\$43.50	\$18,705.00
	37	Base Bid	Sanitary Sewer Lining 10-Inch	LF	2693	\$43.50	\$117,145.50
	38	Base Bid	Sanitary Manhole Lining	VF	21	\$225.00	\$4,725.00
	39	Base Bid	Grout Cracked Wye	Each	1	\$3,500.00	\$3,500.00
	40	Base Bid	Repair Broken Lateral	Each	1	\$5,500.00	\$5,500.00
	41	Base Bid	Inlet Protection	Each	13	\$60.00	\$780.00
	42	Base Bid	Rock Bags	Each	40	\$0.01	\$0.40
	43	Base Bid	Topsoil	SY	120	\$12.00	\$1,440.00
	44	Base Bid	Hydro-Seed	SY	120	\$1.00	\$120.00
	45	Base Bid	Sawing Concrete	LF	950	\$2.25	\$2,137.50
	46	Base Bid	Relay Storm Sewer 24" RCP	LS	1	\$6,500.00	\$6,500.00
	47	Base Bid	Allowance - Televising Video Conversion	LS	1	\$10,000.00	\$10,000.00
Base Bid Total							\$449,346.47

SWU

	48	SWU - Base Bid	Concrete Base 7-Inch at water service replacements	SY	270	\$50.00	\$13,500.00
Alt 1							
	49	Alt 1	Construction Staking	LS	1	\$1,232.52	\$1,232.52
	50	Alt 1	Traffic Control	LS	1	\$2,400.00	\$2,400.00
	51	Alt 1	Removing Curb and Gutter	LF	20	\$10.00	\$200.00
	52	Alt 1	Removing Concrete Sidewalk	SY	115	\$20.00	\$2,300.00
	53	Alt 1	Removing Pavement	SY	315	\$8.00	\$2,520.00
	54	Alt 1	Milling Pavement 3-Inch	SY	2050	\$2.95	\$6,047.50
	55	Alt 1	Butt Joints	SY	150	\$6.70	\$1,005.00

56 Alt 1	Removing Inlets	Each	4	\$250.00	\$1,000.00
57 Alt 1	Removing Manholes	Each	1	\$350.00	\$350.00
58 Alt 1	Adjust Manhole Casting Storm	Each	2	\$400.00	\$800.00
59 Alt 1	Reconstruct Sanitary Manhole SA-19-031	Each	1	\$1,325.00	\$1,325.00
60 Alt 1	Sanitary Manhole Frame and Grate	Each	1	\$455.00	\$455.00
61 Alt 1	Inlets Type N1	Each	4	\$2,000.00	\$8,000.00
62 Alt 1	Inlet Castings	Each	4	\$675.00	\$2,700.00
63 Alt 1	Manhole 4-ft Diameter	Each	1	\$4,700.00	\$4,700.00
64 Alt 1	Storm Manhole Frame and Grate	Each	3	\$455.00	\$1,365.00
65 Alt 1	HMA Pavement 4 LT 58-28 S	Tons	340	\$81.60	\$27,744.00
66 Alt 1	Tack Coat (0.06 gal per sy)	Gal	250	\$3.60	\$900.00
67 Alt 1	Concrete Sidewalk 4-Inch	SF	1000	\$6.10	\$6,100.00
68 Alt 1	Concrete Driveway 6-Inch	SY	30	\$57.50	\$1,725.00
69 Alt 1	Base Aggregate Dense 1 1/4-Inch	Tons	30	\$25.00	\$750.00
70 Alt 1	Concrete Base 7-Inch	SY	230	\$50.00	\$11,500.00
71 Alt 1	Detectable Warning Fields	SF	24	\$30.00	\$720.00
72 Alt 1	Concrete Curb and Gutter 30-Inch Exposed Pan	LF	50	\$48.00	\$2,400.00
73 Alt 1	Concrete Curb and Gutter 24-inch Overlaid Pan	LF	20	\$40.00	\$800.00
74 Alt 1	Concrete Curb and Gutter 24-inch Exposed Pan	LF	210	\$45.00	\$9,450.00
75 Alt 1	12-Inch PVC Storm Sewer	LF	248	\$95.00	\$23,560.00
76 Alt 1	Pavement Marking 4-Inch	LF	700	\$0.85	\$595.00
77 Alt 1	Pavement Marking Crosswalk 6-Inch	LF	370	\$7.50	\$2,775.00
78 Alt 1	Block Style Crosswalk 24-Inch	LF	324	\$15.25	\$4,941.00
79 Alt 1	Handicap Parking Symbol	Each	1	\$125.00	\$125.00
80 Alt 1	Pavement Marking 12-Inch Diagonal	LF	32	\$10.60	\$339.20
81 Alt 1	Pavement Marking Parking Stall	LF	240	\$5.75	\$1,380.00
82 Alt 1	Removing Signs and Supports	Each	1	\$75.00	\$75.00
83 Alt 1	Remove and Replace Ex. Sign and Post	Each	2	\$300.00	\$600.00
84 Alt 1	Inlet Protection	Each	6	\$60.00	\$360.00
85 Alt 1	Topsoil	SY	20	\$12.00	\$240.00
86 Alt 1	Hydro-Seed	SY	20	\$1.00	\$20.00
87 Alt 1	Sawing Concrete	LF	525	\$2.25	\$1,181.25
Alt 1 Total					\$134,680.47

Total COS	\$584,026.94
Total SWU	\$13,500.00

III
Res. No. 12 - 22 - 23. By Alderpersons Dekker and Perrella.
May 2, 2022.

A RESOLUTION authorizing the appropriate City officials to enter into a contract with LaLonde Contractors, Inc. for the construction of the North Avenue - 2022 Street Improvements.

WHEREAS, the City of Sheboygan has advertised for bids to construct the North Avenue - 2022 Street Improvements (the "Project"); and

WHEREAS, three bids were received in response to that advertisement; and

WHEREAS, the low bid was from LaLonde Contractors, Inc. for \$1,309,283.23; and

WHEREAS, the City Engineer has reviewed the bid and determined that the low bid met all of the specifications; and

WHEREAS, pursuant to Res. No. 486-93-94, a Declaration of Official Intent to reimburse expenditures related to the Project has been completed.

NOW, THEREFORE, BE IT RESOLVED: That the appropriate City officials are hereby authorized to enter into the attached agreement with LaLonde Contractors, Inc. for the construction of the Project.

Public Works


BE IT FURTHER RESOLVED: That the appropriate City officials are authorized to draw funds from the following accounts upon the agreement being fully executed by all parties, to pay for the construction done pursuant to the agreement:

Account #40033140-631200 (Street Improvements)	\$761,112.73
Account #48033140-631200 (Street Improvements)	\$455,000.00
Account #60134110-649200 (Wastewater Fund - Sanitary)	\$ 93,170.50

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

Dated _____ 20 . _____, City Clerk

Approved _____ 20 . _____, Mayor

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	00 52 00	
		Bid Number:	2467-22	Page: 1 of 7

AGREEMENT
 BETWEEN OWNER AND CONTRACTOR
 FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)

THIS AGREEMENT is by and between City of Sheboygan ("Owner") and LaLonde Contractors, Inc. ("Contractor").

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

- 1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: municipal street and utility construction.

ARTICLE 2 – THE PROJECT


- 2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: North Avenue, Taylor Drive to Calumet Drive.
- 2.02 City of Sheboygan Resolution: //Resolution Number//
- 2.03 City of Sheboygan Account Number: 40033140-631200, 48033140-631200, and 60134110-649200

ARTICLE 3 – ENGINEER

- 3.01 The part of the Project that pertains to the Work has been designed by the City of Sheboygan.
- 3.02 The Engineering Division, Department of Public Works, City of Sheboygan, Sheboygan, WI will assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

- 4.01 *Time of the Essence*
- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.
- 4.02 *Contract Times: Dates*
- A. The Work will be substantially completed on or before November 1, 2022 and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before the 14th day following substantial completion.
- 4.03 *Milestones*
- A. Parts of the Work must be substantially completed on or before the following Milestone(s):
1. Milestone 1: All Work, exclusive of Alternate 4 and sanitary sewer lining items, between Station 43+33.25 and Station 48+90.00 complete and ready for final payment on or before September 1, 2022.
 2. Milestone 2: Alternate 4 (If accepted): Complete and ready for final payment on or before September 1, 2022.


PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	00 52 00	
		Bid Number:	2467-22	Page: 2 of 7

4.04 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the Contract Times, as duly modified. The parties also recognize the delays, expense, and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):
1. Substantial Completion: Contractor shall pay Owner the amount identified in paragraph 19.01 of the Supplementary Conditions for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
 2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner the amount identified in paragraph 19.01 of the Supplementary Conditions for each day that expires after such time until the Work is completed and ready for final payment.
 3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.
 4. Milestones: Contractor shall pay Owner the amount identified in paragraph 19.01 of the Supplementary Conditions for each day that expires after the time (as duly adjusted pursuant to the Contract) specified above for achievement of each Milestone, until Milestone is achieved.
- B. If Owner recovers liquidated damages for a delay in completion by Contractor, then such liquidated damages are Owner's sole and exclusive remedy for such delay, and Owner is precluded from recovering any other damages, whether actual, direct, excess, or consequential, for such delay, except for special damages (if any) specified in this Agreement.

4.05 *Special Damages*

- C. In addition to the amount provided for liquidated damages, Contractor shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.
- D. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	00 52 00	
		Bid Number:	2467-22	Page: 3 of 7

ARTICLE 5 – CONTRACT PRICE

- 5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:
- A. For all Unit Price Work, an amount equal to the sum of the extended prices (established for each separately identified item of Unit Price Work by multiplying the unit price times the actual quantity of that item) as stated in Contractor's Bid, attached hereto as an exhibit.
 - B. The extended prices for Unit Price Work set forth as of the Effective Date of the Contract are based on estimated quantities. As provided in Paragraph 13.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer.


ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

- A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on the third Wednesday of the Month during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.
 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract
 - a. 95 percent of Work completed (with the balance being retainage). If the Work has been 50 percent completed as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner and Engineer, there will be no additional retainage; and
 - b. 0 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
- B. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 100 percent of the Work completed, less such amounts set off by Owner pursuant to Paragraph 15.01.E of the General Conditions, and less 200 percent of Engineer's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	00 52 00	
		Bid Number:	2467-22	Page: 4 of 7

6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.


6.04 *Interest*

- A. All amounts not paid when due shall bear interest at the rate of 0 percent per annum.

ARTICLE 7 – CONTRACT DOCUMENTS

7.01 *Contents*


- A. The Contract Documents consist of the following:
 - 1. This Agreement.
 - 2. Bonds:
 - a. Performance bond (together with power of attorney).
 - b. Payment bond (together with power of attorney).
 - 3. Specifications as listed in the table of contents of the project manual (copy of list attached and incorporated by reference).
 - 4. Drawings as listed in the table of contents of the drawings (copy of list attached and incorporated by reference).
 - 5. Addenda (not attached but incorporated by reference)
 - a. Number 1 dated 3/22/2022,
 - b. Number 2 dated 3/23/2022.
 - 6. Exhibits to this Agreement (enumerated as follows):
 - a. Contractor's Bid consisting of 3.
 - 7. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed,
 - b. Work Change Directives,
 - c. Change Orders,
 - d. Field Order,
 - e. Task Orders.
- B. The Contract Documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the Contract.

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	00 52 00	
		Bid Number:	2467-22	Page: 5 of 7

ARTICLE 8 – ARTICLE 8—REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS

8.01 *Contractor's Representations*

- A. In order to induce Owner to enter into this Contract, Contractor makes the following representations:
- Contractor has examined and carefully studied the Contract Documents, including Addenda.
 - Contractor has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - Contractor is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.
 - Contractor has carefully studied the reports of explorations and tests of subsurface conditions at or adjacent to the Site and the drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, with respect to the Technical Data in such reports and drawings.
 - Contractor has carefully studied the reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, with respect to Technical Data in such reports and drawings.
 - Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Technical Data identified in the Supplementary Conditions or by definition, with respect to the effect of such information, observations, and Technical Data on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (c) Contractor's safety precautions and programs.
 - Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 - Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 - Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and of discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
 - The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement	
		Section:	00 52 00	
		Bid Number:	2467-22	Page: 6 of 7


8.02 Contractor's Certifications

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

8.03 Standard General Conditions

- A. Owner stipulates that if the General Conditions that are made a part of this Contract are EJCDC® C-700, Standard General Conditions for the Construction Contract (2018), published by the Engineers Joint Contract Documents Committee, and if Owner is the party that has furnished said General Conditions, then Owner has plainly shown all modifications to the standard wording of such published document to the Contractor, through a process such as highlighting or "track changes" (redline/strikeout), or in the Supplementary Conditions.

(Continued on next page)

PROJECT MANUAL			
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Agreement
		Section:	00 52 00
		Bid Number:	2467-22

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on _____ (which is the Effective Date of the Contract).

OWNER:

City of Sheboygan

CONTRACTOR:

LaLonde Contractors, Inc.

By:

(signature)

Name,

Title: Ryan Sorenson, Mayor

By:

(signature)

Name,

Title:

(printed)

Date:

Date:

Attest:

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

By:

Address for giving notices:

(signature)

Name,

Title: Meredith DeBruin, City Clerk

Date:

Signatures authorized pursuant to Res. ____-21-22.

Address for giving notices:

City of Sheboygan – Engineering Division
 2026 New Jersey Avenue
 Sheboygan, WI 53081

Approved as to form and Execution:


By:

(signature)

Name,


Title: Charles C. Adams, City Attorney

Date:

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Table of Contents	
		Section:	00 01 10	
		Bid Number:	2467-22	Page: 1 of 2

**North Avenue – 2022 Street Improvements
Taylor Drive to Calumet Drive**

SECTION	TITLE	Pages
00 00 00	PROCUREMENT AND CONTRACTING REQUIREMENTS	
	Introductory Information	
00 01 01	Cover	1
00 01 10	Table of Contents	2
	Procurement Requirements	
00 11 13	Advertisement for Bids	1
00 21 13	Instructions for Bidders	10
00 41 43	Bid Form	4
00 41 44	Unit Price Worksheet	3
00 41 44.1	Quest Unit Price Worksheet	1
00 42 13	Bid Bond	2
00 45 13	Bidder's Proof of Responsibility	5
00 45 20	Non-Collusion Affidavit – Subcontractor	1
00 45 50	List of Subcontractors	1
	Contracting Requirements	
00 52 00	Agreement	7
00 55 00	Notice to Proceed	1
00 61 13	Performance Bond Form	3
00 61 14	Payment Bond Form	3
00 62 11	Submittal Cover	1
00 62 76	Application for Payment	2
00 63 63	Change Order Form	2
00 65 16	Certificate of Substantial Completion	1
00 65 18	Contractor's Affidavit of Compliance Certification and Release	1
00 65 19	Consent of Surety to Final Payment	1
00 72 00	Standard General Conditions of the Construction Contract – 2018	78
00 73 00	Supplementary Conditions	13
	GENERAL REQUIREMENTS	
01 11 00	Summary of Work	3
01 14 00	Work Restrictions	5
01 21 00	Allowances	1
01 43 00	Quality Assurance	2
01 55 26	Traffic Control	2
01 57 19	Temporary Environmental Controls	2
01 71 23	Alternates	1
01 71 23	Construction Staking	2
01 78 00	Closeout Requirements	1
01 78 19	Project Record Requirements	2
31 00 00	EARTHWORK	
31 25 00	Erosion Control and Site Maintenance	3

PROJECT MANUAL				
	Engineering Division 2026 New Jersey Ave Sheboygan, WI 53081	Document Title:	Table of Contents	
		Section:	00 01 10	
		Bid Number:	2467-22	Page: 2 of 2

SECTION	TITLE	Pages
32 00 00	EXTERIOR IMPROVEMENTS	
32 10 01	Bituminous Resurfacing	8
33 00 00	UTILITIES	
33 01 31	Manhole Lining	1
33 01 32	Sewer Lining	5
33 01 32.1	Sewer Televising – Requirements for Digital Data Delivery	1
33 05 09	Sewer Pipe	2
33 05 61	Concrete Manholes, Catch Basins and Inlets	5



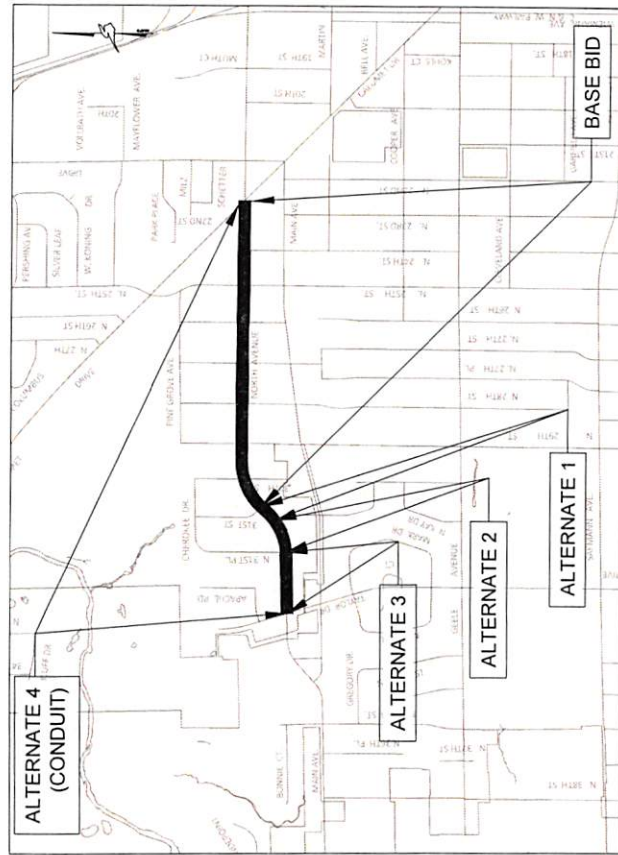
CITY OF SHEBOYGAN DEPARTMENT OF PUBLIC WORKS

NORTH AVE - 2022 STREET IMPROVEMENTS
TAYLOR DR - CALUMET DR

MARCH 2022

BID NUMBER: 2467-22

PROJECT LOCATION MAP



NOT TO SCALE

INDEX OF SHEETS		
SHEET NO.	DRAWING NO.	DESCRIPTION
1	000 CV	TITLE SHEET
2	001 GN	GENERAL NOTES
3	020 OP	OVERALL PLAN
4	030 SC	SURVEY CONTROL
5-6	040D 1-2	TYPICAL SECTIONS
7-16	040D 3-12	CONSTRUCTION DETAILS
17-24	050 RD 1-8	REMOVAL DETAILS
25	110 EC 1	EROSION CONTROL NOTES
26-33	200 SS 1-8	STORM AND SANITARY SEWER (INCLUDES EROSION CONTROL)
34-41	300 SM 1-8	SIGNING AND MARKING
42	310 TC	TRAFFIC CONTROL
43-50	400 PP 1-8	PLAN SHEETS
51-67	600 PD 1-17	PAVING DETAILS (MILL AND OVERLAY - TAYLOR DR TO N 25TH ST)
68-69	601 PD 1-2	PAVING DETAILS (PAVEMENT REPLACEMENT N 25TH ST - CALUMET DR)
70-74	700 MD 1-5	MISCELLANEOUS QUANTITIES
75-76	800 CP 1-2	CONDUIT PLAN

NORTH AVE - 2022 STREET IMPROVEMENTS
TAYLOR DR - CALUMET DR

TITLE SHEET

CITY OF SHEBOYGAN
PUBLIC WORKS

City of Sheboygan
Department of Public Works
Engineering Division
300 North Water Street
Sheboygan, WI 53081

Ryan Szalma, P.E. - City Engineer
Designed By: T.M.
Drawn By: T.M.
Checked By: K.E.J.
Plot Date: 3/2/2022
Bid No.: 2467-22
Project Date: MARCH 2022
Sheet No.: 1
Drawing No.: 2467-22

Item 26.

2467-22 North Avenue ? 2022 Street Improvements (#8150138)
 Owner: Sheboygan WI, City of
 Solicitor: Sheboygan WI, City of
 03/24/2022 02:00 PM CDT

						LaLonde Contractors, Inc.	
Section Title	Line Item	Item Code	Item Description	UofM	Quantity	Unit Price	Extension
Public Works							
	1	Base Bid	Mobilization	LS	1	\$40,056.72	\$40,056.72
	2	Base Bid	Traffic Control	LS	1	\$18,950.00	\$18,950.00
	3	Base Bid	PCMS Signing	Days	7	\$100.00	\$700.00
	4	Base Bid	Detour Signing	LS	1	\$2,125.00	\$2,125.00
	5	Base Bid	Construction Staking	LS	1	\$10,940.00	\$10,940.00
	6	Base Bid	Clearing and Grubbing	Each	1	\$1,280.00	\$1,280.00
	7	Base Bid	Excavation Below Subgrade	CY	80	\$45.90	\$3,672.00
	8	Base Bid	Removing Curb and Gutter	LF	275	\$5.79	\$1,592.25
	9	Base Bid	Removing Concrete Sidewalk	SY	853	\$7.73	\$6,593.69
	10	Base Bid	Removing Pavement	SY	3830	\$7.31	\$27,997.30
	11	Base Bid	Milling Pavement 2-Inch	SY	13055	\$2.60	\$33,943.00
	12	Base Bid	Butt Joints	SY	220	\$6.70	\$1,474.00
	13	Base Bid	Removing Inlets	Each	10	\$505.00	\$5,050.00
	14	Base Bid	Abandoning 8-Inch Storm Sewer	LF	144	\$15.15	\$2,181.60
	15	Base Bid	Adjust Manhole Casting Storm	Each	6	\$444.00	\$2,664.00
	16	Base Bid	Reconstruct Manhole ST-37-049	Each	1	\$2,525.00	\$2,525.00
	17	Base Bid	Reconstruct Manhole Storm	Each	2	\$2,525.00	\$5,050.00
	18	Base Bid	Adjust Manhole Casting Sanitary	Each	8	\$444.00	\$3,552.00
	19	Base Bid	Reconstruct Manhole Sanitary	Each	8	\$2,525.00	\$20,200.00
	20	Base Bid	Reconstruct Inlet	Each	1	\$2,222.00	\$2,222.00
	21	Base Bid	Adjust Inlet	Each	10	\$469.50	\$4,695.00
	22	Base Bid	HMA Pavement 4 LT 58-28 S	Tons	2200	\$77.90	\$171,380.00
	23	Base Bid	Tack Coat (0.06 gal per sy)	Gal	1605	\$3.60	\$5,778.00
	24	Base Bid	Concrete Sidewalk 4-Inch	SF	7268	\$6.55	\$47,605.40
	25	Base Bid	Concrete Driveway 6-Inch	SY	44	\$85.18	\$3,747.92
	26	Base Bid	Base Aggregate Dense 1 1/4-Inch	Tons	160	\$31.40	\$5,024.00
	27	Base Bid	Concrete Base 7-Inch	SY	1075	\$48.02	\$51,621.50
	28	Base Bid	Concrete Pavement 7-Inch	SY	2305	\$52.22	\$120,367.10
	29	Base Bid	Detectable Warning Fields	SF	548	\$35.78	\$19,607.44
	30	Base Bid	Concrete Curb and Gutter 30-Inch Exposed Pan	LF	50	\$39.65	\$1,982.50
	31	Base Bid	Concrete Curb and Gutter 24-inch Overlaid Pan	LF	291	\$32.42	\$9,434.22
	32	Base Bid	Concrete Curb and Gutter 24-inch Exposed Pan	LF	1775	\$26.37	\$46,806.75
	33	Base Bid	Pedestrian Curb	LF	370	\$35.79	\$13,242.30
	34	Base Bid	Field Verification, Inlet 5	Each	1	\$2,000.00	\$2,000.00
	35	Base Bid	Inlets Type N1	Each	11	\$2,458.50	\$27,043.50
	36	Base Bid	Inlet Castings	Each	22	\$702.00	\$15,444.00
	37	Base Bid	12-Inch PVC Storm Sewer	LF	529	\$95.00	\$50,255.00
	38	Base Bid	Storm Sewer Lining 8-Inch	LF	54	\$35.00	\$1,890.00
	39	Base Bid	Storm Sewer Lining 10-Inch	LF	367	\$39.00	\$14,313.00
	40	Base Bid	Storm Sewer Lining 15-Inch	LF	162	\$140.00	\$22,680.00
	41	Base Bid	Storm Sewer Lining 30-Inch	LF	334	\$160.00	\$53,440.00
	42	Base Bid	Sanitary Sewer Lining 8-inch	LF	2043	\$35.00	\$71,505.00
	43	Base Bid	Sanitary Sewer Lining 10-Inch	LF	350	\$39.00	\$13,650.00
	44	Base Bid	Relay Sanitary Sewer 8-Inch	LF	23	\$348.50	\$8,015.50
	45	Base Bid	Pavement Marking 4-Inch	LF	4865	\$0.85	\$4,135.25
	46	Base Bid	Pavement Marking 4-Inch Skips	LF	40	\$0.85	\$34.00
	47	Base Bid	Pavement Marking Crosswalk 6-Inch	LF	420	\$7.50	\$3,150.00
	48	Base Bid	Pavement Marking Bike Symbols	Each	15	\$235.00	\$3,525.00
	49	Base Bid	Pavement Marking Bike Land Arrows	Each	15	\$210.00	\$3,150.00
	50	Base Bid	Pavement Marking Arrows	Each	3	\$285.00	\$855.00
	51	Base Bid	Pavement Marking Words	Each	1	\$315.00	\$315.00
	52	Base Bid	Pavement Marking Sharrow Symbol	Each	2	\$320.00	\$640.00
	53	Base Bid	Pavement Marking 8-Inch Channelizing	LF	180	\$1.60	\$288.00
	54	Base Bid	Pavement Marking 8-Inch Skips	LF	18	\$1.60	\$28.80
	55	Base Bid	Pavement Marking 12-Inch Diagonal	LF	40	\$10.75	\$430.00
	56	Base Bid	Inlet Protection	Each	40	\$60.00	\$2,400.00
	57	Base Bid	Rock Bags	Each	100	\$16.10	\$1,610.00
	58	Base Bid	Topsoil	SY	650	\$8.27	\$5,375.50
	59	Base Bid	Hydro-Seed	SY	650	\$0.60	\$390.00

2467-22 North Avenue ? 2022 Street Improvements (#8150138)
 Owner: Sheboygan WI, City of
 Solicitor: Sheboygan WI, City of
 03/24/2022 02:00 PM CDT

						LaLonde Contractors, Inc.	
Section Title	Line Item	Item Code	Item Description	UofM	Quantity	Unit Price	Extension
	60	Base Bid	Sawing Concrete	LF	4210	\$1.80	\$7,578.00
	61	Base Bid	Allowance - Televising Video Conversion	LS	1	\$10,000.00	\$10,000.00
Base Bid Total							\$1,018,201.24
Alt 1							
	62	Alt 1	Construction Staking	LS	1	\$840.00	\$840.00
	63	Alt 1	Removing Curb and Gutter	LF	12	\$24.13	\$289.56
	64	Alt 1	Removing Concrete Sidewalk	SY	38	\$11.22	\$426.36
	65	Alt 1	Removing Pavement	SY	53	\$21.17	\$1,122.01
	66	Alt 1	Milling Pavement 2-Inch	SY	1175	\$2.60	\$3,055.00
	67	Alt 1	Butt Joints	SY	15	\$6.70	\$100.50
	68	Alt 1	Reconstruct Manhole Storm	Each	1	\$2,525.00	\$2,525.00
	69	Alt 1	Adjust Manhole Casting Storm	Each	1	\$629.50	\$629.50
	70	Alt 1	Adjust Manhole Casting Sanitary	Each	1	\$655.00	\$655.00
	71	Alt 1	HMA Pavement 4 LT 58-28 S	Tons	194	\$77.90	\$15,112.60
	72	Alt 1	Tack Coat (0.06 gal per sy)	Gal	141	\$3.60	\$507.60
	73	Alt 1	Concrete Sidewalk 4-Inch	SF	357	\$8.87	\$3,166.59
	74	Alt 1	Concrete Base 7-Inch	SY	33	\$48.40	\$1,597.20
	75	Alt 1	Detectable Warning Fields	SF	42	\$35.78	\$1,502.76
	76	Alt 1	Concrete Curb and Gutter 24-inch Overlaid Pan	LF	18	\$32.42	\$583.56
	77	Alt 1	Concrete Curb and Gutter 24-inch Exposed Pan	LF	67	\$33.11	\$2,218.37
	78	Alt 1	Storm Sewer Lining 10-Inch	LF	50	\$110.00	\$5,500.00
	79	Alt 1	Storm Sewer Lining 15-Inch	LF	96	\$110.00	\$10,560.00
	80	Alt 1	Pavement Marking 4-Inch	LF	535	\$0.85	\$454.75
	81	Alt 1	Pavement Marking Bike Symbols	Each	2	\$235.00	\$470.00
	82	Alt 1	Pavement Marking Bike Land Arrows	Each	2	\$210.00	\$420.00
	83	Alt 1	Topsoil	SY	24	\$18.00	\$432.00
	84	Alt 1	Hydro-Seed	SY	24	\$15.00	\$360.00
	85	Alt 1	Sawing Concrete	LF	189	\$1.80	\$340.20
Alt 1 Total							\$52,868.56
Alt 2							
	86	Alt 2	Construction Staking	LS	1	\$1,430.00	\$1,430.00
	87	Alt 2	Removing Concrete Sidewalk	SY	50	\$9.74	\$487.00
	88	Alt 2	Removing Pavement	SY	280	\$17.95	\$5,026.00
	89	Alt 2	Milling Pavement 2-Inch	SY	2775	\$2.60	\$7,215.00
	90	Alt 2	Butt Joints	SY	15	\$6.70	\$100.50
	91	Alt 2	Removing Inlets	Each	3	\$505.00	\$1,515.00
	92	Alt 2	Adjust Manhole Casting Storm	Each	1	\$629.50	\$629.50
	93	Alt 2	Adjust Manhole Casting Sanitary	Each	2	\$655.00	\$1,310.00
	94	Alt 2	Abandoning 10-Inch Storm Sewer	LF	84	\$15.15	\$1,272.60
	95	Alt 2	HMA Pavement 4 LT 58-28 S	Tons	303	\$77.90	\$23,603.70
	96	Alt 2	Tack Coat (0.06 gal per sy)	Gal	202	\$3.60	\$727.20
	97	Alt 2	Concrete Sidewalk 4-Inch	SF	309	\$8.87	\$2,740.83
	98	Alt 2	Concrete Base 7-Inch	SY	238	\$48.57	\$11,559.66
	99	Alt 2	Detectable Warning Fields	SF	20	\$35.78	\$715.60
	100	Alt 2	Concrete Curb and Gutter 24-Inch Exposed Pan	LF	72	\$32.42	\$2,334.24
	101	Alt 2	Concrete Curb and Gutter 24-inch Overlaid Pan	LF	96	\$33.11	\$3,178.56
	102	Alt 2	Pedestrian Curb	LF	25	\$35.79	\$894.75
	103	Alt 2	Inlets Type N1	Each	3	\$2,424.00	\$7,272.00
	104	Alt 2	Inlet Castings	Each	3	\$701.95	\$2,105.85
	105	Alt 2	12-Inch PVC Storm Sewer	LF	161	\$97.00	\$15,617.00
	106	Alt 2	Pavement Marking 4-Inch	LF	505	\$0.85	\$429.25
	107	Alt 2	Pavement Marking 4-Inch Skips	LF	4	\$0.85	\$3.40
	108	Alt 2	Pavement Marking Bike Symbols	Each	2	\$235.00	\$470.00
	109	Alt 2	Pavement Marking Bike Land Arrows	Each	2	\$210.00	\$420.00
	110	Alt 2	Topsoil	SY	24	\$15.00	\$360.00
	111	Alt 2	Hydro-Seed	SY	24	\$15.00	\$360.00
	112	Alt 2	Sawing Concrete	LF	731	\$1.80	\$1,315.80
Alt 2 Total							\$93,093.44

2467-22 North Avenue ? 2022 Street Improvements (#8150138)
 Owner: Sheboygan WI, City of
 Solicitor: Sheboygan WI, City of
 03/24/2022 02:00 PM CDT

						LaLonde Contractors, Inc.	
Section Title	Line Item	Item Code	Item Description	UofM	Quantity	Unit Price	Extension
Alt 3							
	113	Alt 3	Construction Staking	LS	1	\$1,020.00	\$1,020.00
	114	Alt 3	Removing Curb and Gutter	LF	12	\$24.13	\$289.56
	115	Alt 3	Removing Concrete Sidewalk	SY	41	\$10.77	\$441.57
	116	Alt 3	Removing Pavement	SY	241	\$17.63	\$4,248.83
	117	Alt 3	Milling Pavement 2-Inch	SY	2775	\$2.60	\$7,215.00
	118	Alt 3	Butt Joints	SY	50	\$6.70	\$335.00
	119	Alt 3	Removing Inlets	Each	1	\$505.00	\$505.00
	120	Alt 3	Adjust Sanitary Casting Sanitary	Each	1	\$659.00	\$659.00
	121	Alt 3	HMA Pavement 4 LT 58-28 S	Tons	458	\$77.90	\$35,678.20
	122	Alt 3	Tack Coat (0.06 gal per sy)	Gal	333	\$3.60	\$1,198.80
	123	Alt 3	Concrete Sidewalk 4-Inch	SF	400	\$8.66	\$3,464.00
	124	Alt 3	Concrete Base 7-Inch	SY	194	\$48.02	\$9,315.88
	125	Alt 3	Detectable Warning Fields	SF	42	\$35.78	\$1,502.76
	126	Alt 3	Concrete Curb and Gutter 24-inch Overlaid Pan	LF	145	\$32.42	\$4,700.90
	127	Alt 3	Concrete Curb and Gutter 24-inch Exposed Pan	LF	69	\$33.11	\$2,284.59
	128	Alt 3	Inlets Type N1	Each	1	\$2,525.00	\$2,525.00
	129	Alt 3	Inlet Castings	Each	1	\$701.95	\$701.95
	130	Alt 3	Storm Sewer Lining 10-Inch	LF	60	\$110.00	\$6,600.00
	131	Alt 3	Pavement Marking 4-Inch	LF	955	\$0.85	\$811.75
	132	Alt 3	Pavement Marking 4-Inch Skips	LF	4	\$0.85	\$3.40
	133	Alt 3	Pavement Marking Bike Symbols	Each	2	\$235.00	\$470.00
	134	Alt 3	Pavement Marking Bike Land Arrows	Each	2	\$210.00	\$420.00
	135	Alt 3	Topsoil	SY	36	\$15.00	\$540.00
	136	Alt 3	Hydro-Seed	SY	36	\$15.00	\$540.00
	137	Alt 3	Sawing Concrete	LF	1059	\$1.80	\$1,906.20
Alt 3 Total							\$87,377.39
Alt 4							
	138	Alt 4	Conduit 2-Inch	LF	4333	\$8.20	\$35,530.60
	139	Alt 4	Conduit Trenching to Pole/Pull Box Locations	LF	24	\$375.00	\$9,000.00
	140	Alt 4	Sonotube 2' Diameter	Each	24	\$480.00	\$11,520.00
	141	Alt 4	Install City Provided Pull Box	Each	3	\$564.00	\$1,692.00
Alt 4 Total							\$57,742.60

Base Bid + Alt 1 + Alt 2 + Alt 3 + Alt 4 **\$1,309,283.23**