



# **FINANCE AND PERSONNEL COMMITTEE MEETING AGENDA**

**May 08, 2023 at 5:00 PM**

**Council Chambers, 828 Center Avenue, Sheboygan, WI**

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It is possible that a quorum (or a reverse quorum) of the Sheboygan Common Council or any other City committees/boards/commissions may be in attendance, thus requiring a notice pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W.2d 408 (1993).

Persons with disabilities who need accommodations to attend this meeting should contact the Finance Department at 920-459-3311. Persons other than council members who wish to participate remotely shall provide notice to the Finance Department at 920-459-3311 at least 24 hours before the meeting so that the person may be provided a remote link for that purpose.

## **OPENING OF MEETING**

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Introduction of Committee Members and Staff

## **MINUTES**

5. Approval of Minutes - April 10, 2023

## **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

6. Res. No. 2-23-24 / May 1, 2023: A RESOLUTION to authorize establishing an appropriation in the 2023 budget for grant funds received under the 2023 Wisconsin Bureau of Transportation Safety, Bicycle and Pedestrian Enforcement Grant.
7. Res. No. 6-23-24 / May 1, 2023: A RESOLUTION authorizing the appropriate City officials to execute an engagement letter with Quarles & Brady LLP to serve as bond counsel for the City of Sheboygan.
8. Res. No. 5-23-24 / May 1, 2023: A RESOLUTION authorizing the issuance and establishing parameters for the sale of not to exceed \$3,320,000 General Obligation Promissory Notes, Series 2023A.
9. Res. No. 7-23-24 / May 1, 2023: A RESOLUTION authorizing the Finance Director to sign documents necessary to settle City Invoice No. 7323 for \$73,921.56.

## **DATE OF NEXT REGULAR MEETING**

10. Next Meeting Date - May 22, 2023

## **ADJOURN**

11. 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*

## CITY OF SHEBOYGAN

REQUEST FOR LICENSING, HEARINGS AND PUBLIC SAFETY COMMITTEE  
CONSIDERATION

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**ITEM DESCRIPTION:** Resolution 2 – 23 - 24, authorizing application for the 2023 Wisconsin Bureau of Transportation Safety Pedestrian/Bike Enforcement Grant Solicitation.

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**REPORT PREPARED BY:** Joel Kuszynski, Captain of Police

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**REPORT DATE:** May 3, 2023

**MEETING DATE:** May 8, 2023

**FISCAL SUMMARY:**

Budget Line Item:	N/A	Wisconsin	N/A
Budget Summary:	N/A	Statutes:	
Budgeted Expenditure:	Multiple	Municipal Code:	N/A
Budgeted Revenue:	N/A		

**STATUTORY REFERENCE:****BACKGROUND / ANALYSIS:**

The Bureau of Transportation Safety notified the Sheboygan Police Department of eligibility for a \$20,000.00 grant from the Wisconsin Department of Transportation for enforcement of bicycle and pedestrian safety rules. The grant supports additional police patrols to focus on bicycle and pedestrian safety by reimbursing the city for the cost of officers assigned to such patrols on overtime.

**STAFF COMMENTS:**

The grant requires a 25% local match, which the Police Department can support within its current operational budget. The grant will be used to support overtime patrols in our bar district during weekend evenings and at other outdoor community events where there is an increase in pedestrian traffic in the roadways. Patrols will focus on ensuring pedestrian safety and addressing conditions that increase risk of pedestrian-involved crashes.

**ACTION REQUESTED:**

Motion to recommend to Council to Approve the Resolution No. 2 – 23 – 24.

**ATTACHMENTS:**

- I. Res. No. 2 – 23 – 24

Res. No. 7 - 23 - 24. By Alderpersons Mitchell and Filicky-Peneski.  
May 1, 2023.

A RESOLUTION to authorize establishing an appropriation in the 2023 budget for grant funds received under the 2023 Wisconsin Bureau of Transportation Safety, Bicycle and Pedestrian Enforcement Grant.

WHEREAS, the City of Sheboygan Police Department has been approved to receive a grant in the total amount of \$20,000 from the Wisconsin Department of Transportation, Bureau of Transportation Safety, to assist in developing the city's capacity to provide additional patrols engaging in high visibility enforcement of bicycle and pedestrian violations.

NOW, THEREFORE, BE IT RESOLVED: That the City of Sheboygan Common Council establish estimated revenue and appropriation for the 2023 Wisconsin Bureau of Transportation Safety, Bicycle and Pedestrian Enforcement Grant for Police Department overtime and benefits:

<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>
General Fund	General Fund	
Police Department	Police Department	
State Grant	Overtime	
101-435230	101210-510111	\$20,000.00

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



III

Res. No. 6 - 23 - 24. By Alderpersons Mitchell and Filicky-Peneski.  
May 1, 2023.

A RESOLUTION authorizing the appropriate City officials to execute an engagement letter with Quarles & Brady LLP to serve as bond counsel for the City of Sheboygan.

RESOLVED: That the appropriate City officials are hereby authorized to enter into the attached engagement letter with Quarles & Brady LLP to serve as bond counsel for the City of Sheboygan regarding the issuance of \$3,320,000 in General Obligation Promissory Notes, Series 2023A.

FAP

\_\_\_\_\_  
\_\_\_\_\_

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

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor



411 East Wisconsin Avenue  
Suite 2400  
Milwaukee, Wisconsin 53202-4428  
414.277.5000  
Fax 414.271.3552  
www.quarles.com

Attorneys at Law in  
Chicago  
Denver  
Indianapolis  
Madison  
Milwaukee  
Minneapolis  
Naples  
Phoenix  
San Diego  
Tampa  
Tucson  
Washington, D.C.

April 27, 2023

VIA EMAIL

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

Scope of Engagement Re: Proposed Issuance of Not to Exceed \$3,320,000 City of Sheboygan (the "City") General Obligation Promissory Notes, Series 2023A (the "Securities")

Dear Ms. DeBruin:

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

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

Role of Bond Counsel

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

As bond counsel we will: examine applicable law; prepare authorizing and closing documents; consult with the parties to the transaction, including the City's financial advisor or underwriter or placement agent, prior to the issuance of the Securities; review certified proceedings; and undertake such additional duties as we deem necessary to render the bond counsel opinion described below. While we will represent the City in this engagement, as stated above, as bond counsel our primary responsibility is to render an objective independent legal opinion with respect to the issuance and authorization of the Securities.

QB\80752129.1

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

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

The bond counsel opinion will be executed and delivered by us in written form on the date the Securities are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date. In rendering the bond counsel opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

A form of our bond counsel opinion and a form of a Continuing Disclosure Certificate (which we may prepare) may be included in the Official Statement or other disclosure document for the Securities.

#### Role of Disclosure Counsel

Our disclosure counsel engagement is similarly a limited, special counsel engagement. As disclosure counsel, we will review the disclosure document prepared in connection with the sale of the Securities, namely the Official Statement, Private Placement Memorandum, or similar documents (the "City's Offering Document"). It is the City's responsibility to verify the information contained in the materials provided to us or confirmed for us by the City. We will not undertake an independent investigation to verify the accuracy or completeness of this information, beyond reviewing the materials provided to us or confirmed for us by the City, nor will we render any opinion or make any representation as to the suitability of the Securities for investment by any investor.

In our capacity as the City's disclosure counsel, we will review the City's Offering Document and undertake due diligence with respect to the material representations therein so that we may provide the negative assurance letter described in the following paragraph. Our due diligence will consist of reviewing materials provided to us or confirmed for us by the City; reviewing the City's responses to questions posed in a due diligence questionnaire; assisting the City in its review of its continuing disclosure compliance in the last five years, if applicable (although the City is ultimately responsible for this review and such compliance); and discussing the City's Offering Document with the City and Ehlers & Associates, Inc., Waukesha, Wisconsin ("Ehlers"). We may also maintain the materials provided to us or confirmed for us by the City in our files, and we expect to share certain of those materials with Ehlers, for its files.



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Subject to satisfactory completion of our due diligence, we will provide the City with a negative assurance letter that:

based on our review of the City's Offering Document, our examination of certain materials provided by the City and its representatives, and our participation in conferences and conversations with the City and its representatives, no information has come to the attention of the attorneys in our firm rendering legal services in connection with the matter that has caused them to believe that the Preliminary Official Statement contained as of its date or the Final Official Statement contained as of its date or contains as of the date hereof any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, we do not express any belief with respect to any financial and statistical data and forecasts, projections, numbers, estimates, assumptions and expressions of opinion, information about bond insurers, or any information regarding the Depository Trust Company and the book-entry system for the Securities contained or incorporated by reference in the City's Offering Document and its appendices, which we expressly exclude from the scope of this paragraph.

If requested, we may also provide Ehlers with a separate letter allowing it to rely on the above-described negative assurance letter.

Please note that our negative assurance letter is not a guarantee; although we expect our above-described due diligence review to assist the City in identifying, confirming and presenting potentially material information, neither our participation in the financing nor our provision of the above-described negative assurance letter will relieve the City of its obligations under the federal securities laws. As noted above, ultimate responsibility for disclosing to potential purchasers of the Securities all City information material to their investment decision rests with the City.

Limitations on Scope of Engagement; No Financial Advice; Conclusion of Representation

All matters and responsibilities other than those expressly set forth above are outside the scope of our engagement as the City's bond counsel and disclosure counsel. These include, without limitation, any obligation to any underwriter, placement agent or financial advisor involved with the issuance of the Securities, other than providing a reliance letter as described above, if applicable. In particular we wish to note that this engagement does not entail any responsibility for us to review matters or provide advice to any party with respect to such matters as the rules promulgated by the Municipal Securities Rulemaking Board ("MSRB"), "blue sky" securities law matters, or other general securities law matters pertaining to any party's status as a broker-dealer or municipal advisor.

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Further, we are neither qualified nor engaged to provide financial advice, and hence we will make no representation whatsoever about the suitability of the Securities for purchase by investors, the desirability of the proposed plan of finance, the feasibility of the project(s) financed or refinanced by the Securities, or any such related matters.

Our responsibilities as bond counsel and disclosure counsel will be concluded with respect to this financing upon the delivery of our bond counsel opinion and negative assurance letter, respectively. Please note that, unless separately engaged, we will not provide any advice to the City on post-closing matters including, without limitation, (i) actions necessary to ensure that interest paid on the Securities will continue to be excluded from gross income for federal income tax purposes, (ii) regulatory surveys or audits of the Securities, or (iii) actions necessary to comply with the continuing disclosure requirements applicable to the Securities.

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

Because of the diversity of practice of our firm, the firm may be asked to represent other clients in matters adverse to the City, for example, in zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel and disclosure counsel work. Ethical requirements require that we obtain the City's consent to such representations. We do not represent you in legal matters regularly, although we may be called upon for special representation occasionally, and our bond counsel and disclosure counsel work does not usually provide us information that will be disadvantageous to you in other representations. We do not believe that such representations of others would adversely affect our relationship with you, and we have found that local governments generally are agreeable to the type of unrelated representation described above. Your approval of this letter will serve to confirm that the City consents and agrees to our representation of other present or future clients in matters adverse to the City which are not substantially related to the borrowing and finance area or any other area in which we have agreed to serve it. We agree, however, that your prospective consent to conflicting representation contained in this paragraph shall not apply in any instance where, as a result of our representation of the City, we have obtained proprietary or other confidential information, that, if known to the other client, could be used by that client to your material disadvantage. We will not disclose to the other client(s) any confidential information received during the course of our representation of the City. If you have any questions or would like to discuss this consent further, please call us.

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



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### Fees

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, we estimate that our fee will be \$15,000 for our services as bond counsel, and \$9,750 for our services as disclosure counsel. Such fee and expenses may vary: (i) if the principal amount of Securities actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time, expenses or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. It is our understanding that our fee will be paid out of proceeds of the Securities at Closing.

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

### Terms of Engagement

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

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

### City Responsibilities

We will provide legal counsel and assistance to the City in accordance with this letter and will rely upon information and guidance the City and its personnel provide to us. We will keep the City reasonably informed of progress and developments, and respond to the City's inquiries. To enable us to provide the services set forth in this letter, the City will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. The officers and agents of the City will review the City's Offering Document, participate in a due diligence conference to review the City's Offering Document and provide a certificate as to the accuracy and completeness of the City's Offering Document stating that it does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading. The City agrees to pay our bills for services and expenses in accordance with this engagement letter. The City will also cooperate fully with us and be available to attend meetings, conferences, hearings and other proceedings on reasonable notice, and stay fully informed on all developments relating to this matter.

### Limited Liability Partnership

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

### Conclusion and Request for Signed Copy

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

Ms. Meredith DeBruin  
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If you have any questions, please do not hesitate to contact me at any time. We are looking forward to working with you and the City in this regard.

Very truly yours,

QUARLES & BRADY LLP

  
Rebecca A. Speckhard

RAS:TDC:SMW:bea

cc: Ms. Kaitlyn Krueger (via email)  
Ms. Melissa Clevenger (via email)  
Mr. Charles C. Adams (via email)  
Mr. Philip L. Cosson (via email)  
Ms. Kathy Myers (via email)  
Mr. David Ferris (via email)  
Mr. Alex Gore (via email)  
Mr. Thomas Cameron (via email)  
Ms. Jess Kaye (via email)  
Ms. Sue Weber (via email)  
[bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com)

Accepted and Approved:

CITY OF SHEBOYGAN

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

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

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



III

Res. No. 5 - 23 - 24. By Alderpersons Mitchell and Filicky-Peneski.  
May 1, 2023.

RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED \$3,320,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2023A.

WHEREAS, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City of Sheboygan, Sheboygan County, Wisconsin (the "City") to raise funds for public purposes, including paying the cost of various construction, improvement and acquisition projects set forth in the City's 2023 Capital Improvement Plan, including building repairs and renovations, street and sidewalk repairs and improvements, the acquisition of fire department equipment and providing financial assistance to community development projects for the City's Tax Incremental Districts (collectively, the "Project");

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

WHEREAS, the City is authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes;

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct its financial advisor, Ehlers & Associates, Inc. ("Ehlers"), to take the steps necessary for the City to offer and sell general obligation promissory notes designated "General Obligation Promissory Notes, Series 2023A" (the "Notes") at public sale and to obtain bids for the purchase of the Notes;

WHEREAS, the City Clerk (in consultation with Ehlers) is hereby authorized and directed to cause the sale of the Notes to be publicized at such times and in such manner as the City Clerk may determine and to cause copies of a complete Notice of Sale and other pertinent data to be forwarded to interested bidders as the City Clerk may determine; and

WHEREAS, in order to facilitate the sale of the Notes in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to each of the Mayor and the Finance Director/Treasurer (each, an "Authorized Officer") of the City the authority to accept on behalf of the City the bid for the Notes that results in the lowest true interest cost for the Notes (the "Proposal") and meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

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

Section 1. Authorization and Sale of the Notes; Parameters. For the purpose of paying costs of the Project, the City is authorized to borrow pursuant to Section 67.12(12) Wisconsin Statutes, the principal sum of not to exceed THREE MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS (\$3,320,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the condition set forth in Section 17 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted the Proposal (the "Purchaser") for, on behalf of and in the name of the City, Notes aggregating the principal amount of not to exceed THREE MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS (\$3,320,000). The purchase price to be paid to the City for the Notes shall not be less than 99.00% nor more than 107.00% of the principal amount of the Notes.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes, Series 2023A"; shall be issued in the aggregate principal amount of up to \$3,320,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to \$200,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Notes shall not exceed \$3,320,000. The schedule below assumes the Notes are issued in the aggregate principal amount of \$3,320,000.

<u>Date</u>	<u>Principal Amount</u>
04-01-2024	\$320,000
04-01-2025	325,000
04-01-2026	325,000
04-01-2027	325,000
04-01-2028	325,000
04-01-2029	335,000
04-01-2030	340,000
04-01-2031	340,000
04-01-2032	340,000
04-01-2033	345,000

Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2024. The true interest cost on the Notes (computed taking the Purchaser's compensation into account) shall not exceed 5.00%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.



Section 3. Redemption Provisions. The Notes shall not be subject to optional redemption or shall be callable as set forth on the Approving Certificate. If the Proposal specifies that certain of the Notes are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate labeled as Schedule MRP. Upon the optional redemption of any of the Notes subject to mandatory redemption, the principal amount of such Notes so redeemed shall be credited against the mandatory redemption payments established in the Approving Certificate in such manner as the City shall direct.

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

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2023 through 2032 for the payments due in the years 2024 through 2033 in the amounts as are sufficient to meet the principal and interest payments when due.

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

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

Section 6. Segregated Debt Service Fund Account.

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

by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Promissory Notes, Series 2023A" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Notes; (ii) any premium which may be received by the City above the par value of the Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and the Notes canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Notes may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

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

Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other



funds of the City and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

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

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Notes and the ownership, management and use of the projects will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

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

Section 10. Designation as Qualified Tax-Exempt Obligations. The Notes are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by Bond Trust Services Corporation, Roseville, Minnesota, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter into a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Notes.

Section 13. Persons Treated as Owners; Transfer of Notes. The City shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall

be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

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

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

Section 14. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the City at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 16. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Notes allocable to the payment of issuance expenses to a financial institution selected by Ehlers at Closing for further distribution as directed by the City's financial advisor, Ehlers & Associates, Inc.

Section 17. Condition on Issuance and Sale of the Notes. The issuance of the Notes and the sale of the Notes to the Purchaser are subject to approval by an Authorized Officer of the acceptance of the winning bid, principal amount, definitive maturities, redemption provisions, interest rates and purchase price for the Notes, which approval shall be evidenced by execution by an Authorized Officer of the Approving Certificate.



The Notes shall not be issued, sold or delivered until this condition is satisfied. Upon satisfaction of this condition, the Authorized Officer is authorized to execute a Proposal with the Purchaser providing for the sale of the Notes to the Purchaser.

Section 18. Official Statement. The Common Council hereby directs an Authorized Officer to approve the Preliminary Official Statement with respect to the Notes and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by the Authorized Officer or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 19. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

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

Section 20. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

Section 21. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which



are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Note proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 22. Conflicting Resolutions; Severability; Effective Date.

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

\_\_\_\_\_

\_\_\_\_\_

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

Dated \_\_\_\_\_, 2023. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_, 2023. \_\_\_\_\_, Mayor

## EXHIBIT A TO RESOLUTION

## APPROVING CERTIFICATE

The undersigned [Mayor] [Finance Director/Treasurer] of the City of Sheboygan, Sheboygan County, Wisconsin (the "City"), hereby certifies that:

1. Resolution. On May 15, 2023, the Common Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed \$3,320,000 General Obligation Promissory Notes, Series 2023A of the City (the "Notes") after a public sale and delegating to me the authority to approve the Preliminary Official Statement, to approve the purchase proposal for the Notes, and to determine the details for the Notes within the parameters established by the Resolution.

2. Proposal; Terms of the Notes. On the date hereof, the Notes were offered for public sale and the bids set forth on the Bid Tabulation attached hereto as Schedule I and incorporated herein by this reference were received. The institution listed first on the Bid Tabulation, \_\_\_\_\_ (the "Purchaser") offered to purchase the Notes in accordance with the terms set forth in the Proposal attached hereto as Schedule II and incorporated herein by this reference and results in the lowest true interest cost of the Notes (the "Proposal"). Ehlers & Associates, Inc. recommends the City accept the Proposal. The Proposal meets the parameters and conditions established by the Resolution and is hereby approved and accepted.

The Notes shall be issued in the aggregate principal amount of \$\_\_\_\_\_, which is not more than the \$3,320,000 approved by the Resolution, and shall mature on April 1 of each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule III and incorporated herein by this reference. The amount of each annual principal or mandatory redemption payment due on the Notes is not more than \$200,000 more or less per maturity or mandatory redemption amount than the schedule included in the Resolution as set forth below:

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
04-01-2024	\$320,000	\$ _____
04-01-2025	325,000	_____
04-01-2026	325,000	_____
04-01-2027	325,000	_____
04-01-2028	325,000	_____
04-01-2029	335,000	_____

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
04-01-2030	\$340,000	\$_____
04-01-2031	340,000	_____
04-01-2032	340,000	_____
04-01-2033	345,000	_____

The true interest cost on the Notes (computed taking the Purchaser's compensation into account) is \_\_\_\_\_%, which is not in excess of 5.00%, as required by the Resolution.

3. Purchase Price of the Notes. The Notes shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of \$\_\_\_\_\_, plus accrued interest, if any, to the date of delivery of the Notes, which is not less than 99.00% nor more than 107.00% of the principal amount of the Notes, as required by the Resolution.

4. Redemption Provisions of the Notes. [The Notes are not subject to optional redemption.] [The Notes maturing on April 1, 20\_\_ and thereafter are subject to redemption prior to maturity, at the option of the City, on April 1, 20\_\_ or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.] [The Proposal specifies that certain of the Notes are subject to mandatory redemption. The terms of such mandatory redemption are set forth on an attachment hereto as Schedule MRP and incorporated herein by this reference.]

5. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same respectively falls due, the full faith, credit and taxing powers of the City have been irrevocably pledged and there has been levied on all of the taxable property in the City, pursuant to the Resolution, a direct, annual irrepealable tax in an amount and at the times sufficient for said purpose. Such tax shall be for the years and in the amounts set forth on the debt service schedule attached hereto as Schedule IV.

6. Preliminary Official Statement. The Preliminary Official Statement with respect to the Notes is hereby approved and deemed "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934.



7. Approval. This Certificate constitutes my approval of the Proposal, and the principal amount, definitive maturities, interest rates, purchase price and redemption provisions for the Notes in satisfaction of the parameters set forth in the Resolution.

IN WITNESS WHEREOF, I have executed this Certificate on \_\_\_\_\_, 2023 pursuant to the authority delegated to me in the Resolution.

[ \_\_\_\_\_  
Ryan Sorenson  
Mayor]

[ \_\_\_\_\_  
Kaitlyn Krueger  
Finance Director/Treasurer]

SCHEDULE I TO APPROVING CERTIFICATE

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the  
Certificate.

(See Attached)

SCHEDULE II TO APPROVING CERTIFICATE

Proposal

To be provided by Ehlers & Associates, Inc. and incorporated into the  
Certificate.

(See Attached)

SCHEDULE III TO APPROVING CERTIFICATE

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the  
Certificate.

(See Attached)

SCHEDULE IV TO APPROVING CERTIFICATE

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the  
Certificate.

(See Attached)



[SCHEDULE MRP TO APPROVING CERTIFICATEMandatory Redemption Provision

The Notes due on April 1, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on April 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on April 1, 20\_\_\_\_\_

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on April 1, 20\_\_\_\_\_

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on April 1, 20\_\_\_\_\_

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on April 1, 20\_\_\_\_\_

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)]

## EXHIBIT B TO RESOLUTION

(Form of Note)

REGISTERED UNITED STATES OF AMERICA  
STATE OF WISCONSIN DOLLARS  
SHEBOYGAN COUNTY  
NO. R- CITY OF SHEBOYGAN \$  
GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2023A

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

April 1, \_\_\_\_\_, 2023 \_\_\_\_\_%

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

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

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2024 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by Bond Trust Services Corporation, Roseville, Minnesota (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

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

This Note is one of an issue of Notes aggregating the principal amount of \$\_\_\_\_\_, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.12(12),



Wisconsin Statutes, for public purposes, including paying the cost of various construction, improvement and acquisition projects set forth in the City's 2023 Capital Improvement Plan, including building repairs and renovations, street and sidewalk repairs and improvements, the acquisition of fire department equipment and providing financial assistance to community development projects for the City's Tax Incremental Districts, as authorized by a resolution adopted on May 15, 2023, as supplemented by an Approving Certificate, dated \_\_\_\_\_, 2023 (collectively, the "Resolution"). Said Resolution is recorded in the official minutes of the Common Council for said date.

[This Note is not subject to optional redemption.] [The Notes maturing on April 1, 20\_\_ and thereafter are subject to redemption prior to maturity, at the option of the City, on April 1, 20\_\_ or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.]

[The Notes maturing in the years \_\_\_\_\_ are subject to mandatory redemption by lot as provided in the Resolution, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

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

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the

City, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

This Note has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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

This Note shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

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

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

CITY OF SHEBOYGAN  
SHEBOYGAN COUNTY, WISCONSIN

By: \_\_\_\_\_  
Ryan Sorenson  
Mayor

(SEAL)

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

Date of Authentication: \_\_\_\_\_, \_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes of the issue authorized by the within-mentioned Resolution of the City of Sheboygan, Sheboygan County, Wisconsin.

BOND TRUST SERVICES CORPORATION,  
ROSEVILLE, MINNESOTA

By \_\_\_\_\_  
Authorized Signatory



ASSIGNMENT

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

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

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

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

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

Signature Guaranteed:

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

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

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

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

May 8, 2023

PRE-SALE REPORT FOR

## City of Sheboygan, Wisconsin

**\$3,320,000 General Obligation Promissory Notes,  
Series 2023A**



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**Prepared by:**

Ehlers  
N19W24400 Riverwood Drive,  
Suite 100  
Waukesha, WI 53188

**Advisors:**

Philip Cosson, Senior Municipal Advisor  
David Ferris, CPA, Senior Municipal Advisor

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**



## EXECUTIVE SUMMARY OF PROPOSED DEBT

### Proposed Issue:

\$3,320,000 General Obligation Promissory Notes, Series 2023A

### Purposes:

The proposed issue includes financing for the following Capital Projects:

- Improvements to City Buildings. Debt service will be paid from ad valorem property taxes.
- Fire Equipment. Debt service will be paid from ad valorem property taxes.
- Public Works Street and Traffic Improvements. Debt service will be paid from ad valorem property taxes.
- TID 16 Improvements. Debt service will be paid from ad valorem property taxes and abated with revenues of TID 16.
- 

### Authority:

The Notes are being issued pursuant to Wisconsin Statute(s):

- 67.12(12)

The Notes will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

The Notes count against the City's General Obligation Debt Capacity Limit of 5% of total City Equalized Valuation. Following issuance of the Notes, the City's total General Obligation debt principal outstanding will be approximately \$59.3 million, which is 31% of its limit. Remaining General Obligation Borrowing Capacity will be approximately \$133.6 million.

### Term/Call Feature:

The Notes are being issued for a term of 10 years. Principal on the Notes will be due on April 1 in the years 2024 through 2033. Interest is payable every six months beginning April 1, 2024.

The Notes will be subject to prepayment at the discretion of the City on April 1, 2030 or any date thereafter.

### Bank Qualification:

Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Notes as “bank qualified” obligations. Bank qualified status broadens the market for the Notes, which can result in lower interest rates.

### Rating:

The City’s most recent bond issues were rated by Moody’s Investors Service. The current rating on those bonds is “Aa2”. The City will request a new rating for the Notes.

If the winning bidder on the Notes elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating if the bond rating of the insurer is higher than that of the City.

### Basis for Recommendation:

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Notes and long-term financial capacity, as well as the tax status considerations related to the Notes and the structure, timing and other similar matters related to the Notes, we are recommending the issuance of Notes as a suitable option.

### Method of Sale/Placement:

We are recommending the Notes be issued as municipal securities and offered through a competitive underwriting process. We will solicit competitive bids for the purchase of the Notes from underwriters and banks.

We will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Notes are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

### Premium Pricing:

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid more than face value is considered “reoffering

premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the City.

For this issue of Notes, any premium amount received that is more than the underwriting discount and any capitalized interest amounts must be placed in the debt service fund and used to pay a portion of the interest payments due on the Notes. We anticipate using any premium amounts received to reduce the issue size.

The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Notes intended to achieve the City’s objectives for this financing.

### **Parameters:**

The Common Council will consider adoption of a Parameters Resolution on May 15, 2023, which delegates authority to the Finance Director/Treasurer or Deputy Finance Director to accept and approve a bid for the Notes so long as the bid meets certain parameters. These parameters are:

- \* Issue size not to exceed \$3,320,000
- \* Maximum Bid of 107%
- \* Minimum Bid of 99%
- \* Maximum True Interest Cost (TIC) of 5%
- \* Maturity Schedule Adjustments not to exceed \$200,000 per maturity

### **Other Considerations:**

The Notes will be offered with the option of the successful bidder utilizing a term bond structure. By offering underwriters the option to “term up” some of the maturities at the time of the sale, it gives them more flexibility in finding a market for your Notes. This makes your issue more marketable, which can result in lower borrowing costs. In the event that the successful bidder utilizes a term bond structure, we recommend the City retain a paying agent to handle responsibility for processing mandatory redemption/call notices associated with term bonds.

### **Review of Existing Debt:**

We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.

### **Continuing Disclosure:**

Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds and has contracted with Ehlers to prepare and file the reports.

### **Arbitrage Monitoring:**

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations ("Arbitrage Rules") throughout the life of the issue to maintain the tax-exempt status of the Notes. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City's specific arbitrage responsibilities will be detailed in the Tax Exemption Certificate (the "Tax Compliance Document") prepared by your Bond Attorney and provided at closing.

The Notes may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitation, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

We recommend that the City review its specific responsibilities related to the Notes with an arbitrage expert to utilize one or more of the exceptions listed above. We also recommend that you establish written procedures regarding compliance with IRS rules and/or contract with Ehlers to assist you.

### **Investment of Note Proceeds:**

Ehlers can assist the City in developing a strategy to invest your Note proceeds until the funds are needed to pay project costs.



## Risk Factors:

**GO with Planned Abatement:** The City expects to abate a portion of the City debt service with tax incremental revenues. In the event these revenues are not available, the City is obligated to levy property taxes in an amount sufficient to make all debt payments.

## Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

**Bond Counsel:** Quarles & Brady LLP

**Paying Agent:** Bond Trust Services Corporation

**Rating Agency:** Moody's Investors Service, Inc.

## PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by Common Council:	May 15, 2023
Due Diligence Call to review Official Statement:	Week of May 29, 2023
Conference with Rating Agency:	Week of June 5, 2023
Distribute Official Statement:	June 6, 2023
Designated Officials Award Sale of the Notes:	June 14, 2023
Estimated Closing Date:	July 6, 2023

### Attachments

Estimated Sources and Uses of Funds



Estimated Proposed Debt Service Schedule by Purpose


Tax Impact Analysis


Bond Buyer Index

## EHLERS' CONTACTS

Philip Cosson, Senior Municipal Advisor	(262) 796-6161
David Ferris, Senior Municipal Advisor	(262) 796-6194
Sue Porter, Senior Public Finance Analyst/Marketing Coordinator	(262) 796-6167
Kathy Myers, Senior Financial Analyst	(262) 796-6177

 	
<b>Financing Plan &amp; Issue Sizing</b>	
	GO Notes 2023
<b>Projects</b>	
City Buildings	250,000
Public Works - Traffic	415,000
Public Works - Traffic TID 16	171,400
Equipment of a Fire Department	68,500
Street Improvement Projects	2,338,000
<b>Project Needs</b>	3,242,900
<b>Issuance Expenses</b>	
Municipal Advisor	27,500
Bond Counsel	15,000
Disclosure Counsel (Estimated)	9,750
Rating	14,500
Paying Agent	850
Underwriter Fees	33,200
<b>Total Funds Needed</b>	3,343,700
Less Interest Earnings	(24,322)
Rounding	622
<b>Size of Issue</b>	<b>3,320,000</b>
<b>Notes: Interest earnings is based upon an interest rate of 3.00% with a spend down period of 3 months.</b>	





Allocation of General Obligation Notes, 2023

Issue	Issue 1																							
Purpose	Street Improvement Projects 10 year Levy				Fire Department Equipment 10 years Levy				City Buildings				Public Works - Traffic				Public Works - Traffic TID 16				TOTAL			
Amount	\$2,395,000				\$70,000				\$255,000				\$425,000				\$175,000							
Dated	7/6/2023				7/6/2023				7/6/2023				7/6/2023				7/6/2023							
Payment Date	4/1				4/1				4/1				4/1				4/1							
Year	Principal	Rate	Interest	Total	Rate	Interest	Total	Principal	Rate	Interest	Total	Principal	Rate	Interest	Total	Principal	Rate	Interest	Total	Principal	Interest	Total		
2023																				-	-	-		
2024	235,000	3.50%	100,098	335,098	5,000	3.50%	2,966	7,966	25,000	3.50%	10,663	35,663	40,000	3.50%	17,798	57,798	15,000	3.50%	7,358	22,358	320,000	138,883	458,883	
2025	240,000	3.50%	71,880	311,880	5,000	3.50%	2,208	7,208	25,000	3.50%	7,668	32,668	40,000	3.50%	12,865	52,865	15,000	3.50%	5,378	20,378	325,000	99,998	424,998	
2026	240,000	3.50%	63,480	303,480	5,000	3.50%	2,033	7,033	25,000	3.50%	6,793	31,793	40,000	3.50%	11,465	51,465	15,000	3.50%	4,853	19,853	325,000	88,623	413,623	
2027	240,000	3.50%	55,080	295,080	5,000	3.50%	1,858	6,858	25,000	3.50%	5,918	30,918	40,000	3.50%	10,065	50,065	15,000	3.50%	4,328	19,328	325,000	77,248	402,248	
2028	240,000	3.50%	46,680	286,680	5,000	3.50%	1,683	6,683	25,000	3.50%	5,043	30,043	40,000	3.50%	8,665	48,665	15,000	3.50%	3,803	18,803	325,000	65,873	390,873	
2029	240,000	3.50%	38,280	278,280	5,000	3.50%	1,508	6,508	25,000	3.50%	4,168	29,168	45,000	3.50%	7,178	52,178	20,000	3.50%	3,190	23,190	335,000	54,323	389,323	
2030	240,000	3.50%	29,880	269,880	10,000	3.50%	1,245	11,245	25,000	3.50%	3,293	28,293	45,000	3.50%	5,603	50,603	20,000	3.50%	2,490	22,490	340,000	42,510	382,510	
2031	240,000	3.50%	21,480	261,480	10,000	3.50%	895	10,895	25,000	3.50%	2,418	27,418	45,000	3.50%	4,028	49,028	20,000	3.50%	1,790	21,790	340,000	30,610	370,610	
2032	240,000	3.60%	12,960	252,960	10,000	3.60%	540	10,540	25,000	3.60%	1,530	26,530	45,000	3.60%	2,430	47,430	20,000	3.60%	1,080	21,080	340,000	18,540	358,540	
2033	240,000	3.60%	4,320	244,320	10,000	3.60%	180	10,180	30,000	3.60%	540	30,540	45,000	3.60%	810	45,810	20,000	3.60%	360	20,360	345,000	6,210	351,210	
2034																				-	-	-		
2035																				-	-	-		
2036																				-	-	-		
2037																				-	-	-		
2038																				-	-	-		
2039																				-	-	-		
2040																				-	-	-		
2041																				-	-	-		
2042																				-	-	-		
2043																				-	-	-		
2044																				-	-	-		
2045																				-	-	-		
2046																				-	-	-		
2047																				-	-	-		
2048																				-	-	-		
2049																				-	-	-		
	\$ 2,395,000		\$ 444,138	\$ 2,839,138	\$ 70,000	\$ 15,113	\$ 85,113	\$ 255,000		\$ 48,030	\$ 303,030	\$ 425,000		\$ 80,906	\$ 505,906	\$ 175,000		\$ 34,628	\$ 209,628	\$ 3,320,000	\$ 622,815	\$ 3,942,815		





## Projected Impact of Capital Financing Plan

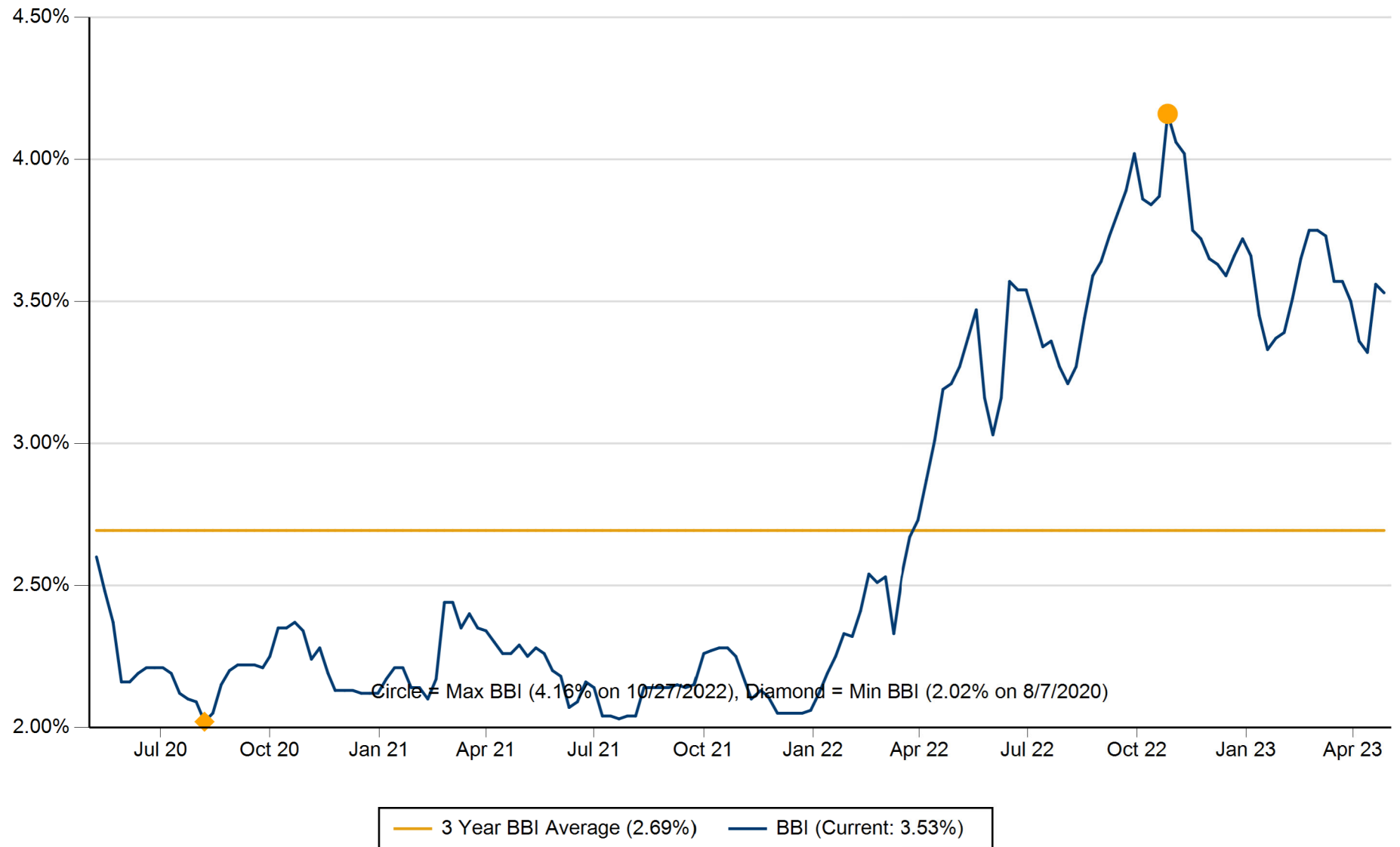
Existing Debt Payments							Projected Debt Service													
YEAR	Equalized Value Projection	Change in Value	Total of All Obligations	Total Abatement Sources	Net Debt Service Levy	Debt Service Tax Rate	YEAR	Capital Plan Debt Service			Less Abatements		Total Projected Debt Service Less Abatements	Net Debt Service Levy	Levy Change	Debt Service Tax Rate	Impact on \$ 100,000 of Value		Debt Service Tax Rate @ 3% Growth	YEAR
											Public Works - Traffic TID 16	Total Abatements					Taxes	Change		
2022	3,156,346,500	2.48%	7,084,856	(3,233,804)	3,851,052	1.22	2022						3,851,052		1.22	122.01		1.22	2022	
2023	3,583,934,700	13.55%	6,187,219	(1,801,647)	4,385,571	1.22	2023						4,385,571	534,519	1.22	122.37	0.36	1.22	2023	
2024	3,665,651,894	2.28%	6,443,688	(1,824,778)	4,618,910	1.26	2024	320,000	138,883	458,883	(22,358)	(22,358)	5,055,435	669,864	1.38	137.91	15.55	1.37	2024	
2025	3,914,143,232	6.78%	6,562,026	(1,933,008)	4,629,019	1.18	2025	325,000	99,998	424,998	(20,378)	(20,378)	5,033,639	(21,796)	1.29	128.60	(9.31)	1.32	2025	
2026	3,992,426,097	2.00%	6,032,039	(1,598,613)	4,433,426	1.11	2026	325,000	88,623	413,623	(19,853)	(19,853)	393,770	(206,443)	1.21	120.91	(7.69)	1.18	2026	
2027	4,072,274,618	2.00%	5,783,190	(1,777,390)	4,005,800	0.98	2027	325,000	77,248	402,248	(19,328)	(19,328)	382,920	(438,476)	1.08	107.77	(13.14)	1.04	2027	
2028	4,153,720,111	2.00%	5,315,670	(1,747,745)	3,567,925	0.86	2028	325,000	65,873	390,873	(18,803)	(18,803)	372,070	(448,725)	0.95	94.85	(12.92)	0.91	2028	
2029	4,236,794,513	2.00%	5,194,270	(1,789,205)	3,405,065	0.80	2029	335,000	54,323	389,323	(23,190)	(23,190)	366,133	(168,797)	0.89	89.01	(5.84)	0.84	2029	
2030	4,321,530,403	2.00%	4,364,630	(1,650,110)	2,714,520	0.63	2030	340,000	42,510	382,510	(22,490)	(22,490)	360,020	(696,658)	0.71	71.14	(17.87)	0.67	2030	
2031	4,407,961,011	2.00%	3,190,365	(1,637,440)	1,552,925	0.35	2031	340,000	30,610	370,610	(21,790)	(21,790)	348,820	(1,172,795)	0.43	43.14	(28.00)	0.40	2031	
2032	4,496,120,232	2.00%	3,032,528	(1,657,443)	1,375,085	0.31	2032	340,000	18,540	358,540	(21,080)	(21,080)	337,460	(189,200)	0.38	38.09	(5.05)	0.35	2032	
2033	4,586,042,636	2.00%	2,986,555	(1,640,305)	1,346,250	0.29	2033	345,000	6,210	351,210	(20,360)	(20,360)	330,850	(35,445)	0.37	36.57	(1.52)	0.33	2033	
2034	4,677,763,489	2.00%	2,585,340	(1,636,490)	948,850	0.20	2034						948,850	(728,250)	0.20	20.28	(16.29)	0.18	2034	
2035	4,771,318,759	2.00%	1,985,300	(1,640,700)	344,600	0.07	2035						344,600	(604,250)	0.07	7.22	(13.06)	0.06	2035	
2036	4,866,745,134	2.00%	1,965,230	(1,632,630)	332,600	0.07	2036						332,600	(12,000)	0.07	6.83	(0.39)	0.06	2036	
2037	4,964,080,037	2.00%	1,953,280	(1,632,680)	320,600	0.06	2037						320,600	(12,000)	0.06	6.46	(0.38)	0.06	2037	
2038	5,063,361,637	2.00%	1,854,480	(1,630,880)	223,600	0.04	2038						223,600	(97,000)	0.04	4.42	(2.04)	0.04	2038	
2039	5,164,628,870	2.00%	1,032,268	(1,032,268)		0.00	2039							(223,600)	0.00		(4.42)	0.00	2039	
2040	5,267,921,447	2.00%	1,029,120	(1,029,120)		0.00	2040								0.00	0.00	0.00	0.00	2040	
2041	5,373,279,876	2.00%				0.00	2041								0.00	0.00	0.00	0.00	2041	
2042	5,480,745,474	2.00%				0.00	2042								0.00	0.00	0.00	0.00	2042	
2043	5,590,360,383	2.00%				0.00	2043								0.00	0.00	0.00	0.00	2043	
2044	5,702,167,591	2.00%				0.00	2044								0.00	0.00	0.00	0.00	2044	
2045	5,816,210,943	2.00%				0.00	2045								0.00	0.00	0.00	0.00	2045	
2046	5,932,535,162	2.00%				0.00	2046								0.00	0.00	0.00	0.00	2046	
2047	6,051,185,865	2.00%				0.00	2047								0.00	0.00	0.00	0.00	2047	
2048	6,172,209,582	2.00%				0.00	2048								0.00	0.00	0.00	0.00	2048	
2049	6,295,653,774	2.00%				0.00	2049								0.00	0.00	0.00	0.00	2049	
2050	6,421,566,849	2.00%				0.00	2050								0.00	0.00	0.00	0.00	2050	
2051	6,549,998,186	2.00%				0.00	2051								0.00	0.00	0.00	0.00	2051	
2052	6,680,998,150	2.00%				0.00	2052								0.00	0.00	0.00	0.00	2052	
2053	6,814,618,113	2.00%				0.00	2053								0.00	0.00	0.00	0.00	2053	
2054	6,950,910,475	2.00%				0.00	2054								0.00	0.00	0.00	0.00	2054	
2055	7,089,928,685	2.00%				0.00	2055								0.00	0.00	0.00	0.00	2055	
2056	7,231,727,259	2.00%				0.00	2056								0.00	0.00	0.00	0.00	2056	
TOTALS			74,582,052	(32,526,254)	42,055,798		TOTALS	3,320,000	622,815	3,942,818	(209,630)	(209,630)	3,733,188	45,788,986					TOTALS	

NOTES

### 3 YEAR TREND IN MUNICIPAL BOND INDICES

Item 8.

Weekly Rates May, 2020 - May, 2023



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: The Bond Buyer

## CITY OF SHEBOYGAN

## REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

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**ITEM DESCRIPTION:** Res. No. 7-23-24 authorizing the Finance Director to sign documents necessary to settle City Invoice No. 7323 for \$73,921.56

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**REPORT PREPARED BY:** Kaitlyn Krueger, Finance Director

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**REPORT DATE:** 5/5/2023

**MEETING DATE:** 5/8/2023

---

**FISCAL SUMMARY:**

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

**STATUTORY REFERENCE:**

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

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**BACKGROUND / ANALYSIS:**

In 2018, an accident occurred resulting in damage to the City's 8<sup>th</sup> Street bridge gate and traffic signal. Invoice 7323 was sent to the responsible party and attempts at negotiation for settlement have occurred for several years. The responsible party's insurance provider, Artisan and Truckers Casualty Company, has disputed how the material markup was calculated based on the City ordinance. The insurance company has offered to settle this invoice with the removal of the markup.

**STAFF COMMENTS:**

The Finance Director received the above offer for settlement from Artisan and Truckers Casualty Company. Due to the City Administrator vacancy, the Finance Director is looking for approval from the Finance and Personnel Committee to allow the sign-off of the settlement.

**ACTION REQUESTED:**

Motion to recommend Res. No. 7-23-24 and write off the amount of the invoice remaining, \$12,851.40, to close the City of Sheboygan Invoice 7323.

**ATTACHMENTS:**

- I. City of Sheboygan Invoice 7323
- II. Property Damage Release

III

Res. No. 7 - 23 - 24. By Alderpersons Mitchell and Filicky-Peneski.  
May 1, 2023.

A RESOLUTION authorizing the Finance Director to sign documents necessary to settle City Invoice No. 7323 for \$73,921.56.

WHEREAS, the City incurred damage on August 31, 2018, when a vehicle struck the mechanical box, lift arm, and traffic signal light for the northbound lane of South 8<sup>th</sup> Street at the lift bridge; and

WHEREAS, Artisan and Truckers Casualty Company has offered to settle the claim for \$73,921.56; and

WHEREAS, the Finance Director states that this payment is sufficient to fully reimburse the City for costs incurred to repair and/or replace the damaged property; and

WHEREAS, pursuant to Res. No. 66-20-21, the City Administer would normally be authorized to negotiate and settle certain claims; and

WHEREAS, Council has not authorized anyone else to negotiate and/or settle certain claims while the City Administrator position is vacant thereby necessitating individual Council approval for each claim.

NOW, THEREFORE, BE IT RESOLVED: That the Finance Director is hereby authorized to sign the Fixed Property Damage Release form accepting \$73,921.56, to accept payment in that amount, and to deposit the payment amount into the appropriate account(s).

F&P

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





## WORK ORDER

Department Electrical  
 Date Requested 08/31/18  
 Work Order # 95920  
 Police Report # C18-18061  
 Date Completed 12/06/18

### Project Location:

Address: 8TH ST BRIDGE

Street: \_\_\_\_\_ From: \_\_\_\_\_ To: \_\_\_\_\_

### Description of Work

       New        Replacement        Repair        Abandonment / Removal

General Description: TRAFFIC SIGNAL/8TH ST BRIDGE GATE & WARNING LIGHT POLE DAMAGED 8/31/18

JAKUBOWSKI, ASHLEY A, 218 SUPERIOR AVE, SHEBOYGAN ,WI 53081 #43465

### Material / Parts

Part No.	Description	Units	Unit Cost	Quantity	Total Cost
	PIEPERPOWER	EA	\$ 61,781.56	1	\$ 61,781.56
					\$ -
					\$ -
					\$ 61,781.56

### Labor

Employee	Class	Equipment Used	Group	Hours	Total Cost
HAYON R	MW V \$75	M129 INTERNATIONAL BUCKET TRUCI	IV \$85	16	\$ 2,560.00
FLEISNER A	MW V \$75	M113 INTERNATIONAL VERSALIFT	IV \$85	36	\$ 5,760.00
SMITH D	MW II \$60	M113 INTERNATIONAL VERSALIFT	IV \$85	16	\$ 2,320.00
SMITH D	MW II \$60	M129 INTERNATIONAL BUCKET TRUCI	IV \$85	2	\$ 290.00
PETERSON C	MW III \$65	M129 INTERNATIONAL BUCKET TRUCI	IV \$85	6	\$ 900.00
TETSCHLAG, SCC	MW IV \$70	M129 INTERNATIONAL BUCKET TRUCI	IV \$85	2	\$ 310.00
					\$ -
					\$ 12,140.00

30% Material Markup \$ 18,534.47

Sales Tax

Grand Total \$ 92,456.03

# COMPLETED WORK ORDER

Page Item 9.

**CITY OF SHEBOYGAN ELECT. DEPT**

**Sorted By: Work Order ID**

**12/6/2018**

WO#: 95920	Code: 8TH STREET BRID	Date Created: 9/14/18	Date Completed: 12/6/18
Asset ID: 6240	Model:	Serial#:	
Description: STREET LIGHTING		Schedule:	Miles:
Type: LIGHT POLE	Group: ATTACHMENTS	Budget ID: 10131100-451301-	Hours:
Master Asset:			
Assigned To:			
Priority: 2-Standard			
Purpose: Southeast Gate Damaged 8th Street Bridge			

## Description Of Work

CASE #C18-18061  
 8/31/18  
 The Southeast Gate and The Warning Light Pole was Damaged in a car accident

PartNo	Description	Location	Units	Unit Cost	Quantity	Total Cost	Stock
Employee	Equipment Used		Hours	Labor Rate	Labor Cost		
BOB (MW - 5) HAYON			2	\$75.00	\$150.00		
129 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
ALLEN (MW - 5) FLEISNER			2	\$75.00	\$150.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
ALLEN (MW - 5) FLEISNER			2	\$75.00	\$150.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
ALLEN (MW - 5) FLEISNER			2	\$75.00	\$150.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
DAVE (MW - 2) SMITH			2	\$60.00	\$120.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
DAVE (MW - 2) SMITH			2	\$60.00	\$120.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
BOB (MW - 5) HAYON			2	\$75.00	\$150.00		
129 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
ALLEN (MW - 5) FLEISNER			2	\$75.00	\$150.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
DAVE (MW - 2) SMITH			2	\$60.00	\$120.00		
129 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
BOB (MW - 5) HAYON			2	\$75.00	\$150.00		
129 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
ALLEN (MW - 5) FLEISNER			2	\$75.00	\$150.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
CHRIS (MW - 3) PETERSON			2	\$65.00	\$130.00		
129 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
ALLEN (MW - 5) FLEISNER			2	\$75.00	\$150.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
ALLEN (MW - 5) FLEISNER			2	\$75.00	\$150.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
BOB (MW - 5) HAYON			2	\$75.00	\$150.00		
129 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
CHRIS (MW - 3) PETERSON			2	\$65.00	\$130.00		
129 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
ALLEN (MW - 5) FLEISNER			2	\$75.00	\$150.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
DAVE (MW - 2) SMITH			2	\$60.00	\$120.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
CHRIS (MW - 3) PETERSON			2	\$65.00	\$130.00		
129 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		
ALLEN (MW - 5) FLEISNER			2	\$75.00	\$150.00		
113 (GROUP - 4) TRUCK			2	\$85.00	\$170.00		

# COMPLETED WORK ORDER

Page Item 9.

CITY OF SHEBOYGAN ELECT. DEPT

Sorted By: Work Order ID

12/6/2018

DAVE (MW - 2) SMITH	2	\$60.00	\$120.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
ALLEN (MW - 5) FLEISNER	2	\$75.00	\$150.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
ALLEN (MW - 5) FLEISNER	2	\$75.00	\$150.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
ALLEN (MW - 5) FLEISNER	2	\$75.00	\$150.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
ALLEN (MW - 5) FLEISNER	2	\$75.00	\$150.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
ALLEN (MW - 5) FLEISNER	2	\$75.00	\$150.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
DAVE (MW - 2) SMITH	2	\$60.00	\$120.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
DAVE (MW - 2) SMITH	2	\$60.00	\$120.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
ALLEN (MW - 5) FLEISNER	2	\$75.00	\$150.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
ALLEN (MW - 5) FLEISNER	2	\$75.00	\$150.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
ALLEN (MW - 5) FLEISNER	2	\$75.00	\$150.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
BOB (MW - 5) HAYON	2	\$75.00	\$150.00
129 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
ALLEN (MW - 5) FLEISNER	2	\$75.00	\$150.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
BOB (MW - 5) HAYON	2	\$75.00	\$150.00
129 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
BOB (MW - 5) HAYON	2	\$75.00	\$150.00
129 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
DAVE (MW - 2) SMITH	2	\$60.00	\$120.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
DAVE (MW - 2) SMITH	2	\$60.00	\$120.00
113 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
BOB (MW - 5) HAYON	2	\$75.00	\$150.00
129 (GROUP - 4) TRUCK	2	\$85.00	\$170.00
SCOTT (MW - 4) TETSCHLAG	2	\$70.00	\$140.00
129 (GROUP - 4) TRUCK	2	\$85.00	\$170.00

Parts Total: \$0.00

Labor Total \$12,140.00

Total: \$12,140.00

Ramminger, Doris ▾



Case Number C18-18061

Property Damaged Signs/Streetlights/Electrical

Location S 8th St north of Indiana Ave

Description of Property Damaged Traffic standard and barricade

Person Responsible Ashley A. Jakubowski

Address of Person Responsible 218 Superior Ave  
Sheboygan, WI 53081

Phone Number 920-917-9961

Date of Birth 10/2/2001

Insurance Company Progressive

Officer 428

Date of Incident 8/31/2018

Entered By ☐ Wilson, Spencer

Completed No

Created at 8/31/2018 11:50 PM by ☐ Wilson, Spencer

Last modified at 8/31/2018 11:50 PM by ☐ Wilson, Spencer

43465

95920

Close



## PIEPER ELECTRIC, INC. ON SITE ELECTRICAL SERVICE AND MANUFACTURING

Invoice



## MAIL REMITTANCE TO:

5477 S. Westridge Ct, New Berlin, WI 53151 Tel. (414)462-7700 Fax (414)462-7711

IDEAL MECHANICAL  
Division of Pieper Electric, Inc.  
Milwaukee, Wisconsin  
Telephone (414) 358-2505

PIEPER ELECTRIC  
KENOSHA OFFICE  
Kenosha, Wisconsin  
Telephone (262) 858-1888

AUTOMATION CONTROLS & ENGINEERING  
IDAC  
Division of Pieper Electric, Inc.  
Milwaukee, Wisconsin  
Telephone (414) 462-7700

SYSTEMS TECHNOLOGIES  
Division of Pieper Electric, Inc.  
Milwaukee, Wisconsin  
Telephone (715) 539-2877

CITY OF SHEBOYGAN  
BRIDGE  
828 CENTER AVE SUITE 208  
SHEBOYGAN WI 53081

Date 12/31/2018

Invoice Number	Job Number	Customer #	Dept. Class	Tax Status	Customer P.O. Number
706645	565770	79106-01	11 15	2	WK95920

PO: WILLIAMS WI95920

8TH STREET BRIDGE TRAFFIC GATE, LIGHT POLE WITH BASE AND BELL 61,781.56  
REPLACED DUE TO TRAFFIC ACCIDENT. MODIFIED CONTROL SOFTWARE TO  
ALLOW BRIDGE OPERATION WITHOUT GATE FUNCTIONING.

AMOUNT DUE THIS INVOICE 61,781.56

1.5% LATE PAYMENT CHARGE DUE AFTER 1/30/19 926.72

\*\* Please notice our new Remit-To address above

Work Order No. 95920

10/33200-521900



Symbol, "Pieperpower" and "Certified Electrical Authority"  
are service marks of Pieper Electric, Inc. Milwaukee, Wisconsin

PAYMENT DUE ON RECEIPT OF INVOICE  
1 1/2 % PER MONTH INTEREST CHARGED ON ALL PAST DUE ACCOUNTS

### Overview Sheboygan Bridge Traffic Accident

4 Sept 2018 Received call gate and traffic signal near roundabout was involved in a traffic accident.

- Bridge would not open because of the lack of safety signals from gate.
- Sent emergency service team to bridge. Isolated control signals and changed control safety logic to bypass gate interlock. (Requires police or other traffic control to be present each time the bridge will be operated.)
- Determined gate, gate operator, traffic light pole with lights and bell were damaged beyond repair. (No parts could be salvaged.)
- Repaired damaged wiring in base of the gate and signal.
- Rush ordered gate operator, gate, signal pole, red stop lights, and bell.
- Replaced gate operator, gate, traffic signal pole, traffic signals, and alarm bell.
- Removed safety control logic for bypassing the gate signals.
- Calibrate gate limit switches.
- Verified bridge operation with City.

### Cost break down

Material \$42,838

Labor \$18,943.56

Total \$61,781.56

## GENERAL BILLING INVOICE INQUIRY

Year/per	2019	7	JUL	Total Invoice	86,772.96
Customer	43465	JAKUBOWSKI, ASHLEY A.			
AR code	WKOR	WORK ORDER			Discount pct .00
Invoice	7323	Department			3110 DPW
Inv date	07/23/2019	Parcel			
Cust. PO	Contract				

Ln	Desc	Billed	Adjusted	Paid	Due
1	WORK ORDER	5,510.00	.00	.00	5,510.00
2	WORK ORDER	6,630.00	.00	.00	6,630.00
3	WORK ORDER	80,316.03	-5,683.07	.00	74,632.96
Totals		92,456.03	-5,683.07	.00	86,772.96

\*\* END OF REPORT - Generated by KAITLYN KRUEGER \*\*

**FIXED PROPERTY DAMAGE RELEASE  
(THIS IS NOT A RELEASE OF BODILY INJURY)**

Claim #: 19-1354869

City of Sheboygan, for and in consideration of the sum of seventy three thousand nine hundred twenty one **DOLLARS** and 56/100 dollars (\$73,921.56 ), the receipt whereof is hereby acknowledged, do hereby forever release and discharge Kyle Jakubowski, Ashley Jakubowski and Artisan and Truckers Casualty Company of and from any and all claims and causes of action, in any way arising out of or related to, an accident which occurred on or about August 31, 2018, at or near South 8th Street in Sheboygan, Wisconsin resulting in property damage, loss of use and diminution of value.

The release by Artisan and Truckers Casualty Company is also made for and binding upon our heirs, successors and assigns. Further, any other persons or entities who are or might be liable, even though their identity or involvement in the incident may not be presently known, are fully released and discharged.

It is understood and agreed that this settlement is in full compromise of a doubtful and disputed property damage claim, and this settlement, or the payment of money, is not to be construed as an admission of liability by the released parties. It is recognized that the released parties deny that they are liable for the claimed damages.

With full knowledge and understanding of the contents of this release, we voluntarily enter into this settlement and do so without having relied on any statement or representation by the released parties, their representatives, or anyone retained by them.

The statements in this full settlement and final release of all property damage claims are contractual terms, and are not mere recitals.

**WE HAVE READ THIS RELEASE AND UNDERSTAND THAT IT IS A FULL AND COMPLETE COMPROMISE AND FULL SETTLEMENT OF ALL PROPERTY DAMAGE CLAIMS FOR WHICH WE HAVE BEEN FULLY COMPENSATED.**

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

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

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

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

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

\_\_\_\_\_

\_\_\_\_\_



Witnesses