

FINANCE AND PERSONNEL COMMITTEE MEETING AGENDA

February 28, 2022 at 5:00 PM

Council Chambers, 828 Center Avenue, Sheboygan, WI

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

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

MINUTES

5. Approval of Minutes - February 14, 2022

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

- 6. R. O. No. 127-21-22 / February 21, 2022: Submitting a communication from the Harbor Centre Business Improvement District requesting that the City of Sheboygan release all funds collected on their behalf and those funds allocated to them for fiscal year 2022.
- 7. Res. No. 140-21-22 / February 21, 2022: A RESOLUTION authorizing the appropriate City officials to execute the Agreement Between the City of Sheboygan, Lakeland University, and Kohler Credit Union regarding the 2022 Memorial Day parade.
- 8. Res. No. 142-21-22 / February 21, 2022: A RESOLUTION authorizing the transfer of funds to repay advances made in 2017 to the Redevelopment Authority from the General Fund and the Capital Projects Fund.
- 9. Charter Ord. No. 2-21-22 / February 21, 2022: AN ORDINANCE (being subject to the home rule provisions of § 66.0101 of the Wisconsin Statutes) to authorize the City Administrator to make certain temporary appointments when there are vacancies in department head level appointive offices where specific provisions for filling said vacancies is not otherwise provided by state law.

- 10. DIRECT REFERRAL Res. No. 144-21-22 / February 28, 2022: A RESOLUTION authorizing an additional \$200,000 of American Rescue Plan Act funds to be allocated to the Small Business Emergency Assistance Program.
- 11. DIRECT REFERRAL Res. No. 144-21-22 / February 28, 2022: A RESOLUTION authorizing the appropriate City officials to execute the Second Amendment of Development Agreement between Oscar Apartments LLC and the City of Sheboygan with regard to the development adjacent to South 15th Street.
- 12. DIRECT REFERRAL Res. No. 146-21-22 / February 28, 2022: A RESOLUTION authorizing the appropriate City officials to enter into a Lease-Purchase Agreement with Bell Bank Equipment Finance to finance the purchase of a 2022 Vactor iMPACT Combination Sewer Cleaner with Freightliner M2 Chassis.

ITEMS FOR DISCUSSION ONLY

13. ANNUAL REPORT: Clerks

14. ANNUAL REPORT: Human Resources

15. ANNUAL REPORT: Finance

DATE OF NEXT REGULAR MEETING

16. March 14, 2022

ADJOURN

17. 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 FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: R.O. No. 127-21-22 by Director of Planning and Development submitting a communication from the Harbor Centre Business Improvement District requesting that the City of Sheboygan release all funds collected on their behalf and those funds allocated to them for fiscal year 2022.

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

REPORT DATE: February 24, 2022 **MEETING DATE:** February 28, 2022

FISCAL SUMMARY: STATUTORY REFERENCE:

Budget Line Item: Wisconsin N/A

Budget Summary: N/A Statutes:

Budgeted Expenditure: N/A Municipal Code: N/A

Budgeted Revenue: N/A

BACKGROUND / ANALYSIS:

The City of Sheboygan collects as part of the property tax payments a special assessment for those businesses that are in the Business Improvement District (BID) boundaries. As part of the City's budget process, the BID submits their annual budget as to who they intend to spend their funds.

For 2021-2022, the city collected \$150,073.23. Should the Common Council vote to release the funds, this is the amount that will be paid to the BID for their operations.

STAFF COMMENTS:

None

ACTION REQUESTED:

Motion to recommend Common Council to approve R.O. No. 127-21-22 by Director of Planning and Development submitting a communication from the Harbor Centre Business Improvement District requesting that the City of Sheboygan release all funds collected on their behalf and those funds allocated to them for fiscal year 2022.

1

ATTACHMENTS:

I. Res. No. 127-21-22

Item 6.

R. O. No. 177 - 21 - 22. By DIRECTOR OF PLANNING AND DEVELOPMENT. February 21, 2022

Submitting a communication from the Harbor Centre Business Improvement District requesting that the City of Sheboygan release all funds collected on their behalf and those funds allocated to them for fiscal year 2022.

FAP

Director of Planning & Development

HARBOR CENTRE

BUSINESS IMPROVEMENT DISTRICT



February 10, 2022

City of Sheboygan 828 Center Avenue Sheboygan, WI 53081

RE: 2022 BID Allocated Funds

Dear Common Council Members,

The Harbor Centre business Improvement District requests that the City of Sheboygan release all funds collected on our behalf and those funds allocated to us for the fiscal 2022.

Thank you for your help in this matter.

Sincerely,

Paul Rudnick

Board President

Compu-Tek Accounting, Inc.

Accounting and Tax Consultants

1156 Union Ave. Sheboygan, Wisconsin 53081 (920) 457-9494

HARBOR CENTRE BUSINESS IMPROVEMENT DISTRICT FINANCIAL REVIEW FOR 2021

The 2021 financial records of the Harbor Centre Business Improvement District were reviewed by Andrew Diehl, a Certified Public Accountant. The records reviewed by Mr. Diehl included, the income statement, balance sheet, and bank statements for 2021. The financial documents were reviewed by Mr. Diehl for the following purposes:

- 1. Confirm that check records by the Harbor Centre were consistent with what was reflected on the bank statements.
- 2. Confirm the income received and the expenses incurred on the income statement and balance sheet were consistent with what was on the bank statement.
- 3. Confirmed all check signatures were signed by an officer

After the review of the financial statements confirmed by Mr. Diehl that:

- 1. The checks recorded by HC were consistent with what was on the bank statements.
- 2. The income received and expenses incurred as shown on the year end income statement and balance sheets is what appeared on each months bank statements
- 3. All checks that appeared on the bank statements were signed by an officer.

No other irregularities were noted that deserved comment, and all income and expenses were consistent with the purpose of the Harbor Centre Business Improvement District (HC) and were deemed reasonable by Mr. Diehl with no follow up needed.

Respectfully Submitted >

and EDuM, CPA

Andrew Dietii, CFA

Compu-Tek Accounting Inc.

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: The Memorial Day Parade and Program in recent years has been produced and staffed by the employees of the Kohler Credit Union (KCU). KCU would like to continue to sponsor the Sheboygan Memorial Day event, but transition the production and staffing of the event to Lakeland University Launch program.

REPORT PREPARED BY: Mayor Ryan Sorenson

REPORT DATE: February 24, 2022 **MEETING DATE:** February 28, 2022

FISCAL SUMMARY: STATUTORY REFERENCE:

Budget Line Item: N/A Wisconsin N/A

Budget Summary: N/A Statutes:

Budgeted Expenditure: N/A Municipal Code: N/A

Budgeted Revenue: N/A

BACKGROUND / ANALYSIS:

STAFF COMMENTS: Asst. City Attorney Thomas Cameron drew up this agreement which stipulates the sponsorship contribution to the City by KCU for the Memorial Day Parade and Program and outlines the scope of work that is expected from the Lakeland University Launch program to receive payment from the City for the production and staffing of the Memorial Day Parade and Program. The agreement also outlines the In-kind contributions of the City of Sheboygan to support this event.

ACTION REQUESTED: Motion to pass the Resolution entering into agreement with the Kohler Credit Union and Lakeland University to produce and staff the 2022 Memorial Day Parade and Program.

ATTACHMENTS:

1. Agreement between the City of Sheboygan, Lakeland University, and the Kohler Credit Union regarding the 2022 Memorial Day Parade in Sheboygan, Wisconsin.

Item 7.



Res. No. 140 - 21 - 22 . By Alderpersons Mitchell and Filicky-Peneski. February 21, 2022.

A RESOLUTION authorizing the appropriate City officials to execute the Agreement Between the City of Sheboygan, Lakeland University, and Kohler Credit Union regarding the 2022 Memorial Day parade.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Agreement Between the City of Sheboygan, Lakeland University, and Kohler Credit Union, a copy of which is attached hereto and incorporated herein.

FAP

I HEREBY CERTIFY that the Common Council of the City of S	Sheboygan, W	
Dated	20	 , City Clerk
Approved	20	, Mayor

AGREEMENT BETWEEN THE CITY OF SHEBOYGAN, LAKELAND UNIVERSITY, AND KOHLER CREDIT UNION REGARDING THE 2022 MEMORIAL DAY PARADE IN SHEBOYGAN, WISCONSIN

This Agreement ("Agreement") is between the City of Sheboygan (the "City"), a municipal corporation, Lakeland University, and Kohler Credit Union ("KCU").

WITNESSETH:

WHEREAS,	Sheboygan has a proud tradition of hosting an annual Memorial Day Parade to honor fallen service members; and
WHEREAS,	traditionally the parade concludes with a ceremony at Fountain Park; and
WHEREAS,	the City desires to contract with an entity to provide the necessary services to organize and conduct the Memorial Day Parade and ceremony at Fountain Park ("Event Management Services"); and
WHEREAS,	the City also desires to obtain a sponsor to fund the costs of the Event Planning Services; and
WHEREAS,	Launch at Lakeland University ("Launch") is willing to provide the City with the necessary Event Management Services under the terms of this Agreement; and
WHEREAS,	KCU is willing to sponsor the costs of the Event Management Services under the terms of this Agreement.

NOW, THEREFORE, the City, Launch, and KCU agree as follows:

1. Kohler Credit Union's Responsibilities

Within 15 days of the execution of this Agreement, KCU shall remit an initial sponsorship payment of \$1,500 to the City.

Within 7 days of May 30, 2022, KCU shall remit a final sponsorship payment of \$1,500 to the City. In the event that it is necessary for the Event to be cancelled due to COVID-19, KCU shall not be responsible for making this final sponsorship payment.

Both sponsorship payments shall be sent to the Mayor's Office (828 Center Ave., Suite 300, Sheboygan, WI 53081).

KCU shall also provide sponsorship support for incidental costs associated with the Event. Any sponsorship payment for incidental costs shall be handled via separate agreement between KCU and Launch.

2. Launch's Responsibilities

Launch shall assume responsibility for organizing, promoting, and executing the Memorial Day Parade and ceremony at Fountain Park (collectively, the "Event").

This includes, but is not limited to:

- a. Coordination and management of all pre-event logistics, on-site management, and post-event functions necessary for the Event to be a success.
- b. Coordination and management of the Memorial Day Parade, including: (1) parade entry, (2) coordination of line-up, (3) route management, (4) on-site management, and (5) official parade announcements.
- c. Negotiation for services and management of all necessary suppliers such as: (1) portapotty/metro needs for the parade, (2) fencing, (3) seating and logistical setup, (4) electrical fulfillment, and (5) any other supplier relationships that may be necessary to successfully manage the Event.
- d. Coordination and collaboration with the Sheboygan Police Department, Sheboygan Department of Public Works, and any other municipal entities or departments as necessary to ensure public safety and proper use and need for City equipment and services including, but not limited to, public park use, traffic control, trash coordination for parks, street closures, and crowd control.
- e. Handle all permits, requests to the Common Council of the City, reservations to the Sheboygan Department of Public Works, and any other permits, licenses, or permissions necessary to ensure that proper resources and notifications are agreed to in advance by all parties and City departments involved in the Event.

Launch shall be solely responsible for the means, methods, techniques, sequences, and procedures by which it organizes, promotes, and executes the Event.

Launch shall comply, and shall ensure that all participants in the Event comply, with all applicable public health guidance in effect on the day of the Event. This includes, but is not limited to, guidance issued by the Sheboygan County Health Officer, the State of Wisconsin, and the federal government (including, but not limited to, the Centers for Disease Control).

Any and all agreements with third parties for services related to the Event (other than this Agreement) shall be between the third party and Launch.

3. The City's Responsibilities

The City shall, within 30 days of receipt of each sponsorship payment from KCU, pay the amount of the sponsorship payment received by the City to Launch. For the avoidance of doubt, in the event that KCU fails to make one or more of the sponsorship payments set forth in this Agreement, the City's obligation to pay the amount of the unpaid sponsorship payment shall not accrue.

The City recognizes that the Event require use of City land and services. The City agrees to provide the following for the Event at no cost:

- Use of Fountain Park for the ceremony at Fountain Park following the Parade
- Use of City streets and lots, upon approval of a parade permit submitted by Launch and approved by the City (as necessary for parade staging and route commencement).
- Appropriate police aid for traffic control and crowd control throughout the Event.
- Appropriate support and equipment from the Sheboygan Department of Public Works throughout the Event.

4. General Provisions

- a. Access to Records. The parties recognize that the City is bound by the Wisconsin Public Records Law and, as such, this Agreement is subject to that law. Launch and KCU acknowledge that they are obligated to assist the City in retaining and producing records related to this Agreement, and that the failure to do so shall constitute a material breach of this Agreement, in which case the breaching party must defend and hold the City harmless from liability under the Wisconsin Public Records Law. Launch and KCU shall maintain all records related to this Agreement for a period of not less than 7 years after the termination of the Agreement, except in the event of litigation or settlement of claims arising from the performance of this Agreement, in which case the records shall also be maintained until the disposition of all such litigation, appeals, claims, or exceptions related thereto.
- b. <u>Assignment</u>. No party shall assign, transfer, convey, pledge, sublet, or otherwise dispose of its interest in this Agreement without the prior consent of the other parties in writing.
- c. <u>Authority</u>. Each person executing this Agreement on behalf of a party hereto represents and warrants to the other parties: That the execution of this Agreement has been duly authorized, that the person or persons executing this Agreement have the full power, authority, and right to do so, and that such execution is sufficient and legally binding on such party to enable this Agreement to be enforceable in accordance with its terms.
- d. <u>Compliance with All Laws</u>. In performing the services under this Agreement, the parties shall comply with any and all applicable federal, state, and local statutes, ordinances, plans, and regulations.
- e. <u>Conflict of Interest</u>. Each party declares that it has no present interest, nor shall it acquire any interest—direct or indirect—which would conflict with the performance of the responsibilities set forth in this Agreement. The parties agree that no person having any such interest shall be employed in the performance of this Agreement.
- f. <u>Default.</u> Should any party be in default of the terms and provisions of this Agreement, and should such default continue for more than 30 days after written notice of the default from a non-defaulting party, then a non-defaulting party may terminate this Agreement upon written notice to the other parties.
- g. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Wisconsin. Venue of any disputes arising under this Agreement shall be in the Sheboygan County Circuit Court, Wisconsin.
- h. <u>Hold Harmless/Indemnification</u>. To the extent permitted by law, Launch shall hold harmless, defend, and/or indemnify KCU and the City from any and all claims, actions, suits, charges, awards, fines, labor disputes, charges or costs of any kind or character including attorney's

fees and court costs that arise, or may arise, out of Launch's performance or non-performance of any term, obligation, service, or condition as set forth in this Agreement.

- i. <u>Independent Contractor</u>. The parties to this Agreement are not partners. During the entire term of this Agreement, the relationship between the parties shall be that of independent contractors. No personnel, agent, or subcontractor of one party shall represent themselves to be an employee or otherwise affiliated with any other party to this Agreement.
- j. <u>Intent to be Bound</u>. Each party binds itself and its successors, executors, administrators, permitted assigns, legal representatives and, in the case of a partnership, its partners to the other parties to this Agreement, and to the successors, executors, administrators, permitted assigns, legal representatives, and partners of such other parties in respect to all provisions of this Agreement.
- k. <u>Limitation of Authority</u>. Except as may be specifically provided for with respect to event management services, Launch shall have: (1) no power to solicit proposals, bids, or contracts on behalf of the City and (2) no authority to bind the City or act on the City's behalf in any manner whatsoever. Launch's authority is hereby limited to those duties and responsibilities specifically enumerated herein.
- 1. <u>Modifications</u>. This Agreement may be modified or amended by the parties at any time, provided such changes are mutually agreed to, in writing, and signed by all parties.

m. Nondiscrimination.

- a. In connection with the performance of the services under this Agreement, Launch agrees not to discriminate against any employee or applicant for employment on the basis of age, race, religion, color, handicap, sex, physical condition, developmental disability (as defined in Wis. Stat. 51.01(5)), sexual orientation (as defined in Wis. Stat. 111.32(13m)), or national origin. This provision shall include, but is not limited to: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training. Launch further agrees to take affirmative action to ensure equal employment opportunities.
- b. The selection of participants in the Event shall be done on a basis that does not discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, developmental disability, sexual orientation, or national origin.
- n. <u>Notice</u>. Any notice required by this Agreement shall be made in writing to the parties as addressed below:

<u>City</u>	<u>KCU</u>	<u>Launch</u>
City Clerk	Laura Gabrielse	Kym Leibham
City of Sheboygan	Kohler Credit Union	Lakeland University
828 Center Ave.	5727 Superior Ave.	W3718 South Drive
Sheboygan, Wisconsin 53081	Sheboygan, WI 53083	Plymouth, WI 53073

This shall not be construed to restrict the transmission of routine communications between representatives of the parties.

- o. Other Sponsors. The Parties anticipate that KCU will be the only sponsor for the Event. If, during the course of planning the Event, one or more Parties believe that additional sponsors are appropriate, both KCU and the City must consent in writing to any additional sponsor. The Mayor shall have the authority to make this consent on behalf of the City.
- p. Severability. The invalidity, illegality, or unenforceability of any provision of this Agreement or the occurrence of any event rendering any portion or provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement, and the balance of the Agreement shall be construed and enforced as if it did not contain the particular provision held to be void. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Section shall not prevent this entire Agreement from being void should a provision which is of the essence of this Agreement be determined void.
- q. <u>Term.</u> This Agreement shall cover the 2022 Event only. This Agreement shall begin upon its execution by all parties, and shall continue until July 15, 2022, unless it is extended by mutual agreement of all parties.
- r. <u>Third Party Rights</u>. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the parties.
- s. Waiver. No failure of either party to enforce a term of this Agreement against the other shall be construed as a waiver of that term, nor shall it in any way affect the party's right to enforce that term. No waiver by any party of any term of this Agreement—which may only occur in writing—shall be considered to be a waiver of any other term or breach thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized agents as of the dates written below.

CITY OF SHEBOYGAN	LAKELAND UNIVERSITY
BY: Ryan Sorenson Mayor	BY: Kathy Neitzel Controller
ATTEST: Meredith DeBruin City Clerk	DATED:
DATED:	
KOHLER CREDIT UNION	
BY: Laura Gabrielse Senior Vice President of Member Experience	
DATED:	

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 142-21-22 by Alderpersons Mitchell and Filicky-Peneski authorizing the transfer of funds to repay advances made in 2017 to the Redevelopment Authority from the General Fund and Capital Projects Fund.

REPORT PREPARED BY: Kaitlyn Krueger, Finance Director

REPORT DATE: February 25, 2021 **MEETING DATE:** February 28, 2021

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: Interfund Transfer Wisconsin Statutes: N/A Budget Summary: Municipal Code: N/A

Budgeted Expenditure: Budgeted Revenue:

BACKGROUND / ANALYSIS:

The General Fund and Capital Projects Fund advanced \$500,000 and \$75,000, respectively, to the Redevelopment Authority in 2017 for the purchase of land. With the receipt of loan payoffs, the Redevelopment Authority is now in a position to repay these advances including interest. On February 16, 2022, the Redevelopment Authority approved repaying these funds. The attached resolution is the Council authorization allowing the Finance Department to execute these advance repayments.

STAFF COMMENTS:

This action allows the liabilities to be cleared from the Redevelopment Authority's balance sheet and makes the General Fund and Capital Projects Fund whole from these previous transactions.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 142-21-22 authorizing the transfer of funds to repay advances made in 2017 to the Redevelopment Authority from the General Fund and Capital Projects Fund.

ATTACHMENTS:

I. Res. No. 142-21-22

1

Item 8.



Res. No. 142 - 21 - 22. By Alderpersons Mitchell and Filicky-Peneski. February 21, 2022.

A RESOLUTION authorizing the transfer of funds to repay advances made in 2017 to the Redevelopment Authority from the General Fund and the Capital Projects Fund.

WHEREAS, in 2017 the Redevelopment Authority Fund received advances from the General Fund and the Capital Projects Fund in the amounts of \$500,000 and \$75,000, respectively; and

WHEREAS, the transfer from the Capital Projects Fund to the Redevelopment Authority Fund was done pursuant to Res. No. 216-16-17; and

WHEREAS, the transfer from the General Fund to the Redevelopment Authority Fund was done pursuant to Res. No. 10-17-18; and

WHEREAS, in both Resolutions, the Common Council expressed its intent that the funds "will be repaid with interest"; and

WHEREAS, in its meeting on February 16, 2022, the Redevelopment Authority agreed to return the advances, including interest, to the City of Sheboygan; and

WHEREAS, it is appropriate for those funds to be repaid at this time.

NOW, THEREFORE, BE IT RESOLVED: That the Finance Director is authorized to transfer \$523,341.67 from the Redevelopment Authority Fund to the Capital Projects Fund.

BE IT FURTHER RESOLVED: That the Finance Director is authorized to transfer \$78,501.25 from the Redevelopment Authority Fund to the General Fund.



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BE IT FURTHER RESOLVED: authorized by this Resolution Fund include both principal and	to transfer	from the Red	development	Authority
I HEREBY CERTIFY that the Common Council of the City of S	Sheboygan, Wi			
Dated	20		, C	ity Clerk
Approved	20			_, Mayor

Item 9.



Charter Ord. No. 2 - 21 - 22. By Alderpersons Felde and Filicky-Peneski. February 21, 2022.

AN ORDINANCE (being subject to the home rule provisions of § 66.0101 of the Wisconsin Statutes) to authorize the City Administrator to make certain temporary appointments when there are vacancies in department head level appointive offices where specific provisions for filling said vacancies is not otherwise provided by state law.

WHEREAS, the Common Council intends to grant the City Administrator the authority to make temporary appointments when there are vacancies within the City's management team of departments where specific provision for filling such vacancies is not already provided by state law; and

WHEREAS, permanent appointments to said positions shall continue to be made by the common council based on the recommendation of the city administrator and the mayor, and subject to removal pursuant to § 17.12, Wis. Stats.; and

WHEREAS, nothing in this ordinance is deemed to be in conflict with the provisions of \S 62.09, Wis. Stats.

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

Section 1. Sec. 2-228 of the Municipal Code entitled "Vacancies in appointive offices" is hereby repealed and recreated so as to read as follows:

"Sec. 2-228. - Vacancies in appointive offices.

a) Vacancies in appointive offices of the city shall be filled by appointment for the residue of the unexpired term by the appointing power and in a manner prescribed by law for making regular fullterm appointments.



- b) Vacancies in the following appointive offices of the city may be filled on a temporary basis for no longer than ninety (90) days by the City Administrator:
 - 1) Finance Director/Treasurer
 - 2) Director of Public Works
 - 3) Director of Information Technology
 - 4) Director of Human Resources and Labor Relations
 - 5) Director of Planning and Development
 - 6) Director of Senior Services

All persons so appointed on a temporary basis shall have the same qualifications as if that person were being appointed on a permanent basis by the appointing power.

- c) The Director of Public Works may fill a vacancy in the office of City Engineer on a temporary basis for no longer than ninety days. Any person so appointed on a temporary basis shall have the same qualifications as if that person were being appointed on a permanent basis by the appointing power.
- d) Temporary appointments to the appointive offices set forth in (b) and (c) of this Section may be extended for an additional ninety (90) days by the City Administrator upon approval for such extension by the Common Council."

Section 2. Sec. 82-57 of the Municipal Code entitled "Acting pay for non-represented employees" is hereby amended to add a subsection (c) to read as follows:

"Sec. 82-57. - Acting pay for non-represented employees.

. . .

(c) This section shall not apply to vacancies in the appointive offices of the city affected by Section 2-228 of this Code. However, should a current City employee be appointed to fill a temporary vacancy in such a position pursuant to Section 2-228, the person filling that position shall receive additional compensation as provided in subsection (a) of this Section.

Section 3. All ordinances or parts thereof in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

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Section 4. This is a (60) days after its passage days after its passage and as provided in sec. 66.0101 ordinance shall not take e referendum of the electors at thereon.	e and publica publication a L of the Wisc effect until	tion, unless wi a referendum pet onsin Statutes, it shall have	thin such sixty tition shall be in which event been submitted	filed this to a
		e		
I HEREBY CERTIFY that Common Council of the City	of Sheboygan,			
Dated	20 .		, City	Clerk
Approved				
				•

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Direct Referral: Res. No. 144-21-22, authorizing an additional \$200,000 of American Rescue Plan Act funds allocated to the Small Business Emergency Assistance Program.

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

REPORT DATE: February 24, 2022 **MEETING DATE:** February 28, 2022

FISCAL SUMMARY: STATUTORY REFERENCE:

Budget Line Item: Wisconsin N/A

Budget Summary: N/A Statutes:

Budgeted Expenditure: N/A Municipal Code: N/A

Budgeted Revenue: N/A

BACKGROUND / ANALYSIS:

On October 18, 2022, the Common Council approved the allocation of \$160,000 of American Rescue Plan Act funds towards a Small Business Emergency Assistance Program. The Department of City Development launched the program on January 24, 2022. To date, the City has received and processed \$150,644.35 of the \$160,000 with two additional pending applications. The funds have been allocated to the following businesses:

\$10,000.00	Board and Brush	
\$4,000.00	Limelight Pub	
\$10,000.00	Stauffacher Corporation DBA Intun	
	ChiroCare	
\$10,000.00	Skilled Contractor Alliance LLC	
\$10,000.00	TacTik Lighting LLC	
\$10,000.00	The Wasmer Company	
\$10,000.00	Legend Larry's Distribution, LLC	
\$10,000.00	Athena Therapeutic Massage	
\$6,208.00	Shebikin Pedal Tours LLC	
\$10,000.00	Pena Inc/Café Bella	
\$10,000.00	Shar Inc/Fountain Park Restaurant	
\$9,663.46	Neese's Photo Pieces LLC	
\$10,000.00	Mini Mocha Play Café LLC	
\$8,000.00	Arrosto Delicatessen	
\$10,000.00	Schwarz Fish Company	
\$2,772.89	Marton Music Studio LLC	
\$10,000.00	Whisk, LLC	

Item 10.

The additional \$200,000 would continue the program as we have heard from many \(\frac{ltem}{2} \) businesses that are struggling with supply chain, labor shortages and rising inventory costs that are making operations very difficult.

As the resolution notes, the funding will come from the savings realized from the Lakeshore Interceptor Sewer project that is slated to receive funding from FEMA.

STAFF COMMENTS:

None

ACTION REQUESTED:

Motion to recommend Common Council to approve Res. No. 144-21-22, authorizing an additional \$200,000 of American Rescue Plan Act funds allocated to the Small Business Emergency Assistance Program.

ATTACHMENTS:

I. Res. No. 144-21-22



DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 144 - 21 - 22. By Alderpersons Mitchell and Filicky-Peneski. February 28, 2022.

A RESOLUTION authorizing an additional \$200,000 of American Rescue Plan Act funds to be allocated to the Small Business Emergency Assistance Program.

WHEREAS, in March 2021, the American Rescue Plan Act ("ARPA"), which included \$65 billion in recovery funds for cities across the country, became law; and

WHEREAS, ARPA funds are intended to provide support to state, local, and tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in their communities, residents, and businesses; and

WHEREAS, approximately \$22.8 million has been allocated to the City of Sheboygan and in the first tranche, the City has received \$11,003,103; and

WHEREAS, the Common Council adopted Res. No. 71-21-22 on October 18, 2021, allocating \$160,000 towards the Small Business Emergency Assistance Program; and

WHEREAS, the Department of City Development launched the program on January 24, 2022 and has since awarded the \$160,000 in emergency funds to 18 small businesses with 25 or fewer employees struggling due to the pandemic; and

WHEREAS, the Common Council had previously allocated \$9,950,000 to the Lakeshore Sanitary Sewer Inceptor project, however the City has received notice from FEMA that they are dedicating funds for this project, meaning additional funds are available for programs such as the Small Business Emergency Assistance Program; and

WHEREAS, the Common Council, in Res. No. 71-21-22 indicated that "any number of factors . . . could make it in the best interest of the City for the actual expenditures of ARPA funds to differ from" the amounts set forth in that resolution; and

WHEREAS, the receipt of FEMA funds opens up the use of ARPA funds for additional programs, and it is in the best interest of the City to dedicate some of those funds to further assistance to small businesses impacted by the pandemic.

now, THEREFORE, BE II authorizes the appropriate City in ARPA funds to continue the s provide funds to businesses in	y officials to u Small Business E	se up to an addition Emergency Assistance	nal \$200,000
I HEREBY CERTIFY that the Common Council of the City of, 20_	Sheboygan, Wisc		
Dated	20		City Clerk
Approved	20		, Mayor

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 145-21-22 authorizing the appropriate City officials to execute the Second Amendment of Development Agreement between Oscar Apartments LLC and the City of Sheboygan with regard to the development adjacent to South 15th Street.

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

REPORT DATE: February 24, 2022 **MEETING DATE:** February 28, 2022

FISCAL SUMMARY: STATUTORY REFERENCE:

Budget Line Item: Wisconsin N/A

Budget Summary: N/A Statutes:

Budgeted Expenditure: N/A Municipal Code: N/A

Budgeted Revenue: N/A

BACKGROUND / ANALYSIS:

The City of Sheboygan has entered into a development agreement for TIF incentive on a payas-you-go basis on June 18, 2020. As the project is nearing completion, the project is experiencing supply chain issues and labor shortages that is affecting the final completion date. The original developer's agreement had a substantially completion date of October 15, 2021.

This amendment will extend the substantially completion date to May 30, 2022.

STAFF COMMENTS:

City staff supports this change.

ACTION REQUESTED:

Motion to recommend Common Council to approve Res. No. 145-21-22 authorizing City officials to execute the Second Amendment of Development Agreement between Oscar Apartments LLC and the City of Sheboygan with regard to the development adjacent to South 15th Street.

ATTACHMENTS:

I. Res. No. 145-21-22

Item 11.



DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 145 - 21 - 22. By Alderpersons Mitchell and Filicky-Peneski. February 28, 2022.

A RESOLUTION authorizing the appropriate City officials to execute the Second Amendment of Development Agreement between Oscar Apartments LLC and the City of Sheboygan with regard to the development adjacent to South 15th Street.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Second Amendment of Development Agreement between Oscar Apartments LLC and the City of Sheboygan, a copy of which is attached hereto and incorporated herein.

	foregoing Resolution was duly passed by the Sheboygan, Wisconsin, on the day of
Dated	20, City Clerk
Dougage	20 Mayor

SECOND AMENDMENT OF DEVELOPMENT AGREEMENT BETWEEN OSCAR APARTMENTS LLC AND THE CITY OF SHEBOYGAN

THIS SECOND AMENDMENT OF DEVELOPMENT AGREEMENT (the "Second Amendment"), made this _____ day of ______, 2022, is by and between the City of Sheboygan, Wisconsin, a municipal corporation of the State of Wisconsin, with its principal offices located at 828 Center Avenue, Sheboygan, WI 53081 (hereinafter "City"), and Oscar Apartments LLC, a Missouri limited liability company with its principal offices located at 4565 McRee Ave., Suite 100, St. Louis, MO 63110 (hereinafter "Developer"). To the extent that the terms and conditions of this Second Amendment conflict with or contradict the terms and conditions of the Development Agreement, the terms of this Second Amendment shall supersede and control.

RECITALS

WHEREAS, Developer and the City have entered into a Development Agreement dated as of January 2, 2020 as amended by the First Amendment dated as of June 18, 2020, hereinafter collectively referred to as "the Development Agreement."

WHEREAS, in light of unanticipated supply chain issues and labor shortages during construction, Developer and City desire to further modify and amend the Redevelopment Agreement.

NOW, THEREFORE, in consideration of mutual covenants and agreements and good and valuable consideration, the delivery and receipt of which is hereby acknowledged by and between Developer and City, the parties do hereby agree to amend the Development Agreement as follows:

Article III. Section 3.2 is hereby amended to read as follows:

3.2 <u>Default</u>. Failure to substantially complete construction of the Project by May 30, 2022 is an event of default pursuant to Section 10.1(A) of this Agreement.

[Signature Page to Follow]

SIGNATURE PAGE FOR SECOND AMENDMENT OF DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment of Development Agreement as of the date first above written.

CITY OF SHEBOYGAN, WISCONSIN

BY:	
	Ryan Sorenson, Mayor
ATTEST:	Meredith DeBruin, City Clerk
OSC	CAR APARTMENTS LLC
BY:	Philip Hulse, Manager
This document authorized by and in accor-	dance with Res. No.

CITY OF SHEBOYGAN REQUEST FOR PUBLIC WORKS COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Resolution by Alderpersons Dekker and Perella to authorize the appropriate City officials to enter into a Five Year Lease for a 2022 Model Vactor Impact Sewer Vacuum/ Sewer Jetter truck with Bell Bank Financial Leasing..

REPORT PREPARED BY: Bernard R. Rammer Purchasing Agent

REPORT DATE: February 18, 2022 MEETING DATE: February 28, 2022

FISCAL SUMMARY: STATUTORY REFERENCE:

Budget Line Item: 60134110-631600 Wisconsin N/A

Budget Summary: Sanitation Sewer Eval Statutes:

Survey Municipal Code: N/A

Budgeted Expenditure:

Budgeted Revenue: N/A

BACKGROUND / ANALYSIS:

The Department of Public Works included the Purchase of a dedicated Sewer Jetter truck in the Capital Improvements Budget for 2022, in order to replace an 18 year- old sewer Jetter. Upon further consideration, it was determined that the city ought to instead lease a second Vactor truck as the Vactor trucks offer a multitude of functions necessary when clearing blockages in underground sanitary and storm sewers.

The truck to be leased is known as a Vactor Impact and is of a smaller size and configuration than the current Vactor which allows for greater maneuverability in certain areas of the city. Further, since it offers a variety of functions, the operators of the truck have the ability to clear the blockage with more efficiency when compared to the use of a dedicated single purpose Jetter truck. After receipt of the new truck, the current Jetter Truck will be sold at auction with the proceeds placed into the Motor Vehicle fund.



STAFF COMMENTS:

Due to the critical nature of these trucks as well as the associated technology, the City has found it advantageous to "refresh" the trucks on a five- year basis. This assures reliability that the trucks will as required during use.

ACTION REQUESTED:

A Motion to recommend that the Council approve Resolution # 21-- to authorize the appropriate City Officials to enter into a five-year lease with Bell Bank for the lease/purchase of a 2022 Vactor Impact Truck.

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ATTACHMENTS:

I. Res #146- 21-22



DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 146 - 21 - 22. By Alderpersons Mitchell and Filicky-Peneski. February 28, 2022.

A RESOLUTION authorizing the appropriate City officials to enter into a Lease-Purchase Agreement with Bell Bank Equipment Finance to finance the purchase of a 2022 Vactor iMPACT Combination Sewer Cleaner with Freightliner M2 Chassis.

WHEREAS, the City of Sheboygan's Capital Improvement Program for 2022-2026 reflects the City's intent to acquire a new "jet truck" to replace a seventeen-year old jet truck currently in the City's fleet in 2022; and

WHEREAS, City Staff recommends that the new jet truck be a 2022 Vactor iMPACT Combination Sewer Cleaner with Freightliner M2 Chassis (the "2022 Vactor"); and

WHEREAS, the City is authorized by the laws of the State of Wisconsin to purchase, acquire, and lease personal property for the benefit of the City and its inhabitants and to enter into contracts with respect to such acquisitions; and

WHEREAS, in Res. No. 182-19-20, the City of Sheboygan replaced another older jet truck with a 2020 Vactor 2100i Vac Excavator Truck (the "2020 Vactor"); and

WHEREAS, the 2020 Vactor was acquired pursuant to a Lease-Purchase Agreement with Bell Bank Equipment Finance; and

WHEREAS, the Lease-Purchase Agreement for the 2020 Vactor has been advantageous to the City to this point; and

WHEREAS, it is in the best interest of the City to enter into a similar Lease-Purchase Agreement for the 2022 Vactor; and

WHEREAS, the City has worked with Bell Bank Equipment Finance to develop the Lease-Purchase Agreement and other documents referenced in the Lease-Purchase Agreement, all of which are attached to this Resolution (collectively, the "Lease"); and

WHEREAS, the 2022 budget includes funds for the Lease payments due in 2022.

NOW, THEREFORE, BE IT RESOLVED: That it is in the best interest of the City to enter into the Lease with Bell Bank Equipment Finance, in substantially similar form to that attached, in order to finance the purchase of the 2022 Vactor.

BE IT FURTHER RESOLVED: That the Mayor of the City of Sheboygan, Ryan Sorenson, is authorized to execute the Lease, in substantially similar form to that attached, and any related documents reasonably necessary to the consummation of the transaction contemplated by the Lease.

BE IT FURTHER RESOLVED: That the City Clerk of the City of Sheboygan, Meredith DeBruin, is authorized to attest to the execution of the Lease and any related documents reasonably necessary to the consummation of the transaction contemplated by the Lease.

BE IT FURTHER RESOLVED: That the officers and employees of the City of Sheboygan shall take all action necessary as reasonably required by the parties to the Lease to carry out, give effect to, and consummate the transaction contemplated by the Lease, including the execution and delivery of any closing and other documents required to be delivered in connection with the Lease.

BE IT FURTHER RESOLVED: That nothing contained in this Resolution, the Lease, or any other instrument shall be construed with respect to the City as incurring a pecuniary liability or charge upon the general credit of the City or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Lease, or any other instrument or document executed in connection with the Lease impose any pecuniary liability upon the City or any charge upon its general credit or against its taxing power, except to the extent that the payments payable under the Lease are special limited obligations of the City as provided in the Lease.

BE IT FURTHER RESOLVED: That, subject to the appropriation of funds, the appropriate City officials are authorized to draw funds in payment of the Lease pursuant to the terms of the Lease from Account No. 60134110-631600 (Sanitation Sewer Evaluation Survey).

	RTHER RESOLVED on its approval		shall be	e effective
Common Council	CERTIFY that the control of the City of	Sheboygan, W		
			 	City Clerk
Approved		20	 	, Mayor



1593530.1

Lease-Purchase Agreement

Lease Purchase Agreement Number: 102346-002

This Lease-Purchase Agreement dated the 15th day of March, 2022, (the "Lease"), by and between Bell Bank Equipment Finance, a division of Bell Bank, whose address is 15490 101st Ave N, Suite 200, Maple Grove, MN 55369, as agent for one or more persons (the "Lessor") and City of Sheboygan, located in Sheboygan County, as Lessee (the "Lessee"), whose address is 828 Center Ave, Sheboygan, WI 53081-4442.

WITNESETH:

WHEREAS, Lessee is authorized by State statutes to acquire one (1) 2022 Vactor iMPACT Combination Sewer Cleaner with Freightliner M2 Chassis by entering into a lease-purchase agreement; and

WHEREAS, pursuant to a resolution duly adopted by the Lessee on see attached, the Lessee has determined that it is necessary to further the maintenance purposes of the Lessee that it acquire one (1) 2022 Vactor iMPACT Combination Sewer Cleaner with Freightliner M2 Chassis described herein as Equipment; and

WHEREAS, Lessor is willing to acquire the Equipment and to lease and sell it to Lessee pursuant to this Lease;

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE I **DEFINITIONS AND EXHIBITS**

Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified.

> Authorized Representative: Shall mean (a) with respect to the Lessee, the officer of the Lessee or any other Person or Persons at any time designated by resolution of Lessee's governing body or written certificate conferring authority upon such person to act on behalf of the Lessee with respect to this Lease; and (b) with respect to the Lessor, any authorized signatory of the Lessor authorized by their bylaws to act or to execute documents on behalf of the Lessor.

Certificate of Acceptance: The Certificate of Acceptance of Lessee the form of which is attached hereto as Exhibit C.

Code: The Internal Revenue Code of 1986, as amended and any regulations promulgated thereunder by the United States Department of the Treasury.

Commencement Date: The date upon which Lessee's obligations to make Lease-Purchase Payments accrues as evidenced by the issuance to Lessor of the Certificate of Acceptance attached hereto as Exhibit C.

Contractor: Each of the manufacturers or vendors from whom Lessee (or Lessor at Lessee's request) has ordered or will order or with whom Lessee (or Lessor at Lessee's request) has contracted or will contract for the manufacture, delivery and/or installation of the Equipment.

Cost or Costs: The costs of acquisition and installation of the Equipment and all other costs incidental and related thereto, including the costs of preparation, marketing and sale of this Lease.

Equipment: The one (1) 2022 Vactor iMPACT Combination Sewer Cleaner with Freightliner M2 Chassis described in the attached Exhibit A which is being leased and purchased by Lessee pursuant to this Lease.

Fiscal Year: Each twelve (12) month fiscal period of Lessee commencing on the 1st of January and ending on the 31st of December.

Independent Counsel: An attorney duly admitted to the practice of law before the highest court of the State who is not a full-time employee of Lessor or Lessee.

Interest: The portion of any Lease-Purchase Payment designated as and comprising interest as shown in the attached Exhibit B.

Lease: This Lease-Purchase Agreement dated as of 3/15/2022, whereby the Lessor has leased the Equipment to Lessee, as the same may from time to time be amended or modified.

Lease-Purchase Payment: The payment due from Lessee to Lessor on each Payment Date, as shown on Exhibit B.

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Net Proceeds: Any insurance proceeds, paid with respect to the Equipment, remaining after payment therefrom of all expenses incurred in the collection thereof.

Payment Date: The date upon which any Lease-Purchase Payment is due and payable as provided in Exhibit B.

Permitted Encumbrances: As of any particular time: (i) liens for taxes and assessments not then delinquent, or which Lessee may, pursuant to the provisions of Section 7.3 hereof, permit to remain unpaid, (ii) this Lease and amendments hereto, (iii) Lessor's interest in the Equipment, and (iv) any mechanic's, laborers, material person's supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, other than any lien arising through a Contractor or which Lessee may, pursuant to Article VIII hereof, permit to remain unpaid.

Person or Persons: An individual, partnership, corporation, trust or unincorporated organization.

Prepayment Price: With respect to the Equipment, as of any Payment Date, the amount so designated and set forth opposite such date in the attached Exhibit B.

Principal: The portion of any Lease-Purchase Payment designated as principal in the attached Exhibit B.

Request for Disbursement of Funds: The Request for Disbursement of Funds of Lessee, the form of which is attached hereto as Exhibit C-1.

Specifications: The bid specifications and/or purchase order pursuant to which Lessee has ordered the Equipment from a Contractor.

State: The State of Wisconsin.

State and Federal Law or Laws: The Constitution and any law of the State and any charter, ordinance, rule or regulation or any agency or political subdivision of the State, and any law of the United States, and any rule or regulation of any federal agency.

Term, Term of this Lease or Lease Term: The period commencing on the execution of this Lease and ending on the date the last Lease-Purchase Payment is due and payable, as shown on Exhibit B.

Section 1.2 Exhibits. The following Exhibits are attached to and by reference made part of this Lease:

Exhibit A: A description of the Equipment including the serial number thereof which shall be inserted when available.

Exhibit B: A schedule to be completed by Lessor as provided in Section 4.1, indicating the date upon which the Term of this Lease shall end, the date and amount of each Lease-Purchase Payment coming due under the Lease Term and the amount of Principal and Interest comprising each Lease-Purchase Payment.

Exhibits C and C-1: A Certificate of Acceptance of Lessee with a Request for Disbursement of Funds attached indicating that the Equipment has been or will be delivered and installed in accordance with the Specifications, and has been accepted by Lessee, the date on which Lease-Payments shown in Exhibit B shall commence, and that certain other requirements have been met by Lessee.

Exhibit D: An opinion of counsel to Lessee as to the organization, nature and powers of Lessee, the validity, execution and delivery of this Lease and various related documents; the absence of litigation; and related matters.

Exhibit E: A form of resolution of the governing body of Lessee, relating to this Lease and, if applicable, certain federal tax matters.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

- Representations, Covenants and Warranties of Lessee. Lessee represents, covenants and warrants as follows: Section 2.1
 - (a) Lessee is a political subdivision and municipal corporation, duly organized and existing under the Constitution and laws of the State.
 - (b) Lessee is authorized under the Constitution and laws of the State to enter into this Lease and the transactions contemplated hereby, and to perform all of its obligations hereunder.
 - (c) The officer of Lessee executing this Lease has been duly authorized to execute and deliver this Lease under the terms and provisions of a resolution of Lessee's governing body, or by other appropriate official action.
 - (d) In authorizing and executing this Lease, Lessee has complied with all open meeting laws, public bidding and other State and Federal laws applicable to this Lease and the acquisition of the Equipment by Lessee.

- (e) Lessee will not pledge, mortgage or assign this Lease, or its duties and obligations hereunder to any other Person, firm or corporation, except as provided under the terms of this Lease.
- (f) Lessee will use the Equipment during the Lease Term only to perform its essential governmental functions.
- (g) Lessee will take no action that would cause the interest portion of the Lease-Purchase Payments to become includable in gross income of the recipient for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code") and Treasury Regulations promulgated thereunder (the "Regulations"), and Lessee will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest portion of the Lease-Purchase Payments does not become includable in gross income of the recipient for federal income tax purposes under the Code and Regulations.
- (h) Upon execution of this Lease-Purchase Agreement, and upon each request for a disbursement of funds hereunder, Lessee will provide to Lessor a completed and executed copy of the Certificate of Acceptance attached hereto as Exhibit C.
- (i) Upon the execution of this Lease, Lessee will provide to Lessor an opinion of its legal counsel in the form attached hereto as Exhibit D.
- Lessee will submit to the Internal Revenue Service an information reporting statement at the time and in the form required by the Code.
- (k) Lessee will cause a resolution substantially in the form attached hereto as Exhibit E to be adopted by its governing body.
- (I) Lessee does not reasonably anticipate that it will issue tax-exempt obligations (not including "private activity bonds" as defined in Section 141 of the Code) in an aggregate amount in excess of \$10,000,000 during the calendar year in which the Term commences, and this Lease is designated as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code relating to deductibility of interest by financial institutions.
- Section 2.2 Representations, Covenants and Warranties of Lessor. Lessor represents, covenants and warrants as follows:
 - (a) Lessor has the power to enter into this Lease, is possessed of full power to own and hold real and personal property, and to lease and sell the same.
 - (b) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or agreement or instrument to which Lessor is now a party or by which Lessor is bound; constitutes a default under any of the foregoing; or results in the creation or imposition any lien, charge or encumbrance whatsoever upon any of the property or assets of Lessor, or upon the Equipment, except Permitted Encumbrances.

ARTICLE III AGREEMENT TO LEASE

- Lease. Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor, upon terms and Section 3.1 conditions set forth in this Lease and subject to the option to purchase set forth in Section 4.3 hereof.
- Section 3.2 Possession and Enjoyment. Lessor hereby covenants to provide Lessee during the Term with the quiet use and enjoyment of the Equipment, and Lessee intends to during the Term peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in the Lease. Lessor will, at the request of Lessee and at Lessee's cost, join any legal action in which Lessee asserts its right to such possession and enjoyment to the extent Lessor lawfully may do so. All warranties extended upon the Equipment by the Contractors shall inure to the benefit of the Lessee during the term of this Lease.
- Section 3.3 Lessor Access to Equipment. Lessee agrees that Lessor shall have the right at all reasonable times to examine and inspect the Equipment. Lessee further agrees that Lessor shall have such rights of access to the Equipment as may be reasonably necessary to cause the proper maintenance of the Equipment in the event of failure by Lessee to perform its obligations hereunder.
- Tax and Ownership and Lessee. The Lessor warrants and represents that it shall not at any time during the term of the Lease claim Section 3.4 depreciation, cost recovery deductions, or tax credit for federal income tax purposes with respect to the equipment, or portion thereof, and that it shall not take any position for federal income tax purposes that is inconsistent with the unequivocal title and ownership for any and all tax purposes of the Lessee.

3

ARTICLE IV TERM OF LEASE

- Section 4.1 Lease Term. This Lease shall be in effect for a Term commencing upon the execution hereof and ending as provided in Section 4.2.
- Termination of Lease Term. The Term of this Lease will terminate upon the occurrence of the first of the following events: Section 4.2
 - (a) A default by Lessee and Lessor's election to terminate this Lease pursuant to Article XII without payment of all Lease-Purchase Payments: or
 - (b) The payment by Lessee of all Lease-Purchase Payments and all other amounts authorized or required to be paid by Lessee hereunder.
 - (c) Nonappropriation of funds by Lessee pursuant to Section 12.7 hereof.
- Section 4.3 Option to Purchase. Lessee has the option to purchase the Equipment by paying the applicable prepayment price in accordance with Section 10.1 hereof.

ARTICLE V LEASE-PURCHASE PAYMENTS

- Lease-Purchase Payments. Lessee agrees to pay Lease-Purchase Payments during the Term of this Lease, in the amounts and on Section 5.1 the dates specified in Exhibit B. All Lease-Purchase Payments shall be paid to Lessor at its offices at the address specified in Section 1.1 of this Lease, or to such other Person or entity to which Lessor has assigned such Lease-Purchase Payments as specified in Article XI, at such place as such assignee may from time to time designate in lawful money of the United States of America to Lessor or, in the event of assignment of the right to receive Lease-Purchase Payments by Lessor, to its assignee. Interest shall accrue from the date of the Certificate of Acceptance.
- Section 5.2 Source of Payment. All Lease-Purchase Payments required to be paid Lessor pursuant to this Lease shall be paid from moneys duly budgeted, appropriated, obligated and otherwise provided and made available therefor by Lessee.
- Section 5.3 Interest Component. A portion of each Lease-Purchase Payment is paid as and represents the payment of Interest. Exhibit B sets forth the Interest component of each Lease-Purchase Payment.
- Section 5.4 Lease-Purchase Payments to be Unconditional. The obligation of Lessee to make Lease-Purchase Payments or any other payments required hereunder shall be absolute and unconditional in all events, except as expressly provided under this Lease. Notwithstanding any dispute between Lessee and Lessor or any other Person, Lessee shall make all Lease-Purchase Payments and other payments required hereunder when due and shall not withhold any Lease-Purchase Payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such Lease-Purchase Payments or other payments required under this Lease. Lessee's obligation to make Lease-Purchase Payments or other payments shall not be abated through accident or unforeseen circumstances. Except as provided in Section 12.7 hereof, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder, and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damage therefor.
- Section 5.5 Late Payments. See Section 12.6.

ARTICLE VI INSURANCE AND NEGLIGENCE

- Liability Insurance. Upon receipt of possession of the Equipment, Lessee shall take measures as may be necessary to ensure that any Section 6.1 liability for injuries to or death of any Person or damage to or loss of property arising out of or in any way relating to the condition or operation of the Equipment or any part thereof, is covered by a blanket or other general liability insurance policy maintained by Lessee. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid.
- Property Insurance. Upon receipt of possession of the Equipment, Lessee shall have and assume the risk of loss with respect thereto. Section 6.2 Lessee shall procure and maintain continuously in effect during the Term of this Lease, all-risk insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that a claim may be made for the full replacement cost of any part thereof damaged or destroyed. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with customary deductible amounts. The Net Proceeds of insurance required by this Section shall be applied to the prompt repair, restoration or replacement of the Equipment, or to the purchase of the Equipment, as provided in Section 6.6. Any Net Proceeds not needed for those purposes shall be paid to Lessee.

- Section 6.3 Worker's Compensation Insurance. If required by State law, Lessee shall carry worker's compensation insurance covering all employees on, in, near or about the Equipment, and upon request, shall furnish to Lessor certificates evidencing such coverage throughout the Term of this Lease.
- Requirements for all Insurance. All insurance policies (or riders) required by this Article shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten (10) days before the cancellation or revision becomes effective. All insurance policies or riders required by Section 6.3 shall name Lessee as insured party. Lessee shall deposit with Lessor policies (or riders) evidencing any such insurance procedure by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any policy (or rider), Lessee shall furnish to Lessor evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article, unless such insurance is not obtainable in which event Lessee shall notify Lessor of this fact.
- Section 6.5 Lessee's Negligence. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any Person or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or property of others, which is proximately caused by the negligent conduct of Lessee, its officers, employees and agents. Lessee hereby assumes responsibility for and agrees to reimburse Lessor for all liabilities, obligations, losses and damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fee) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of a claim, suit, or proceeding based in whole or in part upon the negligent conduct of Lessee, its officers, employees and agents, to the maximum extent permitted by law.
- Damage to or Destruction of Equipment. If after delivery of the Equipment to Lessee all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee shall as soon as practical after such event, replace the same at Lessee's sole cost and expense with equipment of equal or greater value to the Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor's reasonable approval, whereupon such replacement shall be substituted in this Lease by appropriate endorsement, subject to the provisions of Section 12.7 hereof. Lessee shall notify Lessor of which course of action it will take within fifteen (15) days after the loss occurrence. If Lessee fails or refuses to notify Lessor within the required period, Lessor may, at its option, exercise its remedies under Article XII hereof. The Net Proceeds of all insurance payable with respect to the Equipment shall be available to Lessee and shall be used to discharge Lessee's obligations under this Section.
- Section 6.7 Cooperation of Lessor. The Lessor shall cooperate fully with the Lessee at the sole expense of the Lessee, in filing any proof of loss with respect to any insurance policy covering the casualties described in this Section. To the extent it may lawfully do so, the Lessor will permit the Lessee to litigate in any proceeding resulting therefrom and the name of it and on behalf of the Lessor, provided that the Lessor has been indemnified from all costs and expenses therefor, including without limitation, reasonable counsel fees incurred by the Lessor in connection with any such litigation in its name. In no event will the Lessor voluntarily settle or consent to the settlement of any proceeding, arising out of any insurance claim with respect to the Equipment or any part thereof, without the written consent of the Lessee.

ARTICLE VII OTHER OBLIGATIONS OF LESSEE

- Section 7.1 Use; Permits. Lessee shall exercise due care in the installation, use, operation and maintenance of the Equipment, and shall not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any State or Federal Law or for a purpose or in a manner contrary to that contemplated by this Lease. Lessee shall obtain all permits and licenses necessary of the installation, operation, possession and use of the Equipment. Lessee shall comply with all State and Federal Laws applicable to the installation, operation, possession and use of the Equipment, and if compliance with any such State or Federal Law requires changes or additions to be made to the Equipment, such changes or additions shall be made by Lessee at its expense.
- Section 7.2 Maintenance of Equipment by Lessee. Lessee shall, at its own expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Equipment in such condition. Lessor shall have no responsibility for any of these repairs or replacements.
- Taxes, Other Governmental Charges and Utility Charges. (a) Except as expressly limited by this Section, Lessee shall pay all taxes and other charges of any kind whatsoever which are at any time lawfully assessed or levied against or with respect to the Equipment, the Lease-Purchase Payments or any part thereof, or which become due during the Term of this Lease, whether assessed against Lessee or Lessor. Lessee shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien of the Equipment; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

- (b) Lessee may, at its own expense and in its own name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contest to remain unpaid during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of Lessor in the Equipment will be materially endangered or the Equipment or any part thereof will be subject to loss for forfeiture, in which event Lessee shall promptly pay such taxes, assessments, utility or other charges or provide Lessor with full security against any loss which may result from nonpayment, in the form satisfactory to Lessor.
- Section 7.4 Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the rate of 18.0 % per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.
- Section 7.5 **Disbursements**. (a) As payments are required for the Equipment under this Lease, the Lessee as the agent for the Lessor shall prepare and submit a Certificate of Acceptance of Lessee with a Request for Disbursement of Funds to the Lessor. (b) The Lessor shall permit the withdrawal of funds requested in the Request for Disbursement of Funds, and such funds shall be applied to the payment of the Cost of the Equipment.

ARTICLE VIII

- Section 8.1 Title. During the Term of this Lease, legal title to the Equipment and any all repairs, replacements, substitutions and modifications to it shall be in Lessee's name subject to Lessor's interest. Upon termination of this Lease for any of the reasons specified in Section 4.2 (b), Lessor's interest in the Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's security or other interest in the Equipment.
- Security Interest. Lessor shall have and retain a security interest under the Uniform Commercial Code, Certificate of Title or other applicable State or Federal Law in the Equipment, the proceeds thereof and all repairs, replacements, substitutions and modifications thereto or thereof pursuant to Section 8.5, in order to secure Lessee's payment of all Lease-Purchase Payments due during the Term of this Lease and the performance of all other obligations herein to be performed by Lessee. Lessee will join with Lessor in executing such financing statements or other documents and will perform such acts as Lessor may request to establish and maintain a valid security interest in the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment with appropriate lettering, labels or tags, and maintain such markings during the Term of this Lease, so as clearly to disclose Lessor's security interest in the Equipment.
- Section 8.3 Liens. During the Term of this Lease, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in Section 7.3 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.
- Section 8.4 Installation of Lessee's Equipment. Lessee may at any time and from time to time, in its sole discretion and at its own expense, install other items of equipment in or upon the Equipment, which items shall be identified by tags or other symbols affixed thereto as property of Lessee. All such items so identified shall remain the sole property of Lessee, in which Lessor shall have no interest, and may be modified or removed by Lessee at any time provided that Lessee shall repair and restore any and all damage to the Equipment resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent Lessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease-purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Equipment.
- Section 8.5 Modification of Equipment. Lessee shall at its own expense, have the right to make repairs to the Equipment, and to make repairs, replacements, substitutions and modifications to all or any part of the parts thereof. All such work and any part or component used or installed to make a repair or as a replacement, substitution or modification, shall thereafter comprise part of the Equipment and be subject to the provisions of the Lease. Such work shall not in any way damage the Equipment or cause it to be used for purposes other than those authorized under the provisions of State or Federal Law or those contemplated by this Lease; and the Equipment, upon competition of any such work shall be of a value which is not less than the value of the Equipment immediately prior to the commencement of such work. Any property for which a replacement or substitution is made pursuant to this Section may be disposed of by Lessee in such manner and on such terms as are determined by Lessee. Lessee will not permit any mechanic's or other lien to be established or remain against the Equipment for labor or materials furnished in connection with any repair, replacement, substitution or modification made by Lessee pursuant to this Section; provided that if any such lien is established and Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may in good faith contest any lien filed or established against the Equipment, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period such contest and any appeal therefrom unless Lessor shall notify Lessee that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of Lessor in the

Equipment will be materially endangered or the Equipment or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form satisfactory to Lessor. Lessee will cooperate fully with Lessee in any such contest.

Section 8.6 **Personal Property**. The Equipment is and shall at all times be and remain personal property notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by means of cement, plaster, nails, bolts, screws or otherwise.

ARTICLE IX WARRANTIES

- Section 9.1 Selection of Equipment. The Equipment and the Contractor have been selected by Lessee, and Lessor shall have no responsibility in connection with the selection of the Equipment, its suitability for the use intended by Lessee, the acceptance by the Contractor or its sales representative of the order submitted, or any delay or failure by the Contractor or its sales representative to manufacture, deliver or install the Equipment for use by Lessee. Lessee authorized Lessor to add the serial number of the Equipment to Exhibit A when available.
- Section 9.2 Installation and Maintenance of Equipment. Lessor shall have no obligation to install, erect, test, inspect, service or maintain the Equipment under any circumstances, but such actions shall be the obligation of Lessee or the Contractor.
- Section 9.3 Contractor's Warranties. Lessor hereby assigns to Lessee for and during the Term of the Lease, all of its interest in all Contractor's warranties and guarantees, express or implied, issued on or applicable to the Equipment, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense.
- Section 9.4 Patent Infringement. Lessor hereby assigns to Lessee for and during the Term of this Lease all of its interest in patent indemnity protection provided by any Contractor with respect to the Equipment. Such assignment of patent indemnity protection by Lessor to Lessee shall constitute the entire liability of Lessor for any patent infringement by Equipment furnished pursuant to this Lease.
- Section 9.5 Disclaimer of Warranties. THE EQUIPMENT IS DELIVERED AS IS, AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT.

ARTICLE X PREPAYMENT

- Section 10.1 When Available. Lessee shall have the option to prepay its obligations under this Lease on any Payment Date at an amount equal to the applicable Prepayment Price.
- Section 10.2 Release of Lessor's Interest. Upon the prepayment of Lessee's obligations under this Lease in accordance with Section 10.1 hereof, Lessee shall have no further obligations under this Lease and this Lease shall terminate in accordance with Section 4.2(b). Thereupon the Lessor shall relinquish title to the Equipment in accordance with Section 8.1.

ARTICLE XI ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

- Assignment by Lessor. Except as otherwise provided herein, Lessor shall not assign its obligations under this Lease, and no purported assignment thereof shall be effective. All of Lessor's rights, title and/or interest in and to this Lease, the Lease-Purchase Payments or other amounts due hereunder and the Equipment may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor at any time, without the consent of Lessee. No such assignment shall be effective as against Lessee unless and until the assignor shall have filed with Lessee a copy or written notice thereof identifying the assignee. Lessee shall pay all Lease-Purchase Payments due hereunder to or at the direction of Lessor or the assignee named in the most recent assignment or notice of assignment filed with Lessee. During the Lease Term, Lessee shall keep a complete and accurate record of all such assignments. In the event Lessor assigns participation in its right, title and/or interest in and to this Lease, the Lease-Purchase Payments and other amounts due hereunder and the Equipment, such participants shall be considered to be Lessor with respect to their participated shares thereof.
- Section 11.2 Assignment and Subleasing by Lessee. Neither this Lease nor Lessee's interest in the Equipment may be assigned by Lessee without the written consent of Lessor. However, the Equipment may be subleased by Lessee, in whole or in part, without the consent of Lessor, subject, however, to each of the following conditions:
 - (a) This Lease and the obligation of Lessee to make Lease-Purchase Payments hereunder, shall remain obligations of Lessee.
 - (b) The sublease shall assume the obligation of Lessee hereunder to the extent of the interest subleased.

39

- (c) Lessee shall, within 30 days after the delivery thereof, furnish or cause to be furnished to Lessor a true and complete copy of such sublease.
- (d) No sublease by Lessee shall cause the Equipment to be used for a purpose other than an essential governmental function authorized under the provisions of the Constitution and the laws of the State.
- (e) No sublease shall cause the Interest component of the Lease-Purchase Payments due with respect to the Equipment to become includable in gross income of the recipient for federal income tax purposes.
- Section 11.3 Restriction on Mortgage or Sale of Equipment by Lessee. Except as provided in Section 11.2, Lessee will not mortgage, sell, assign, transfer or convey the Equipment or any portion thereof during the Term of this Lease, or remove the same from its boundaries, without the written consent of Lessor.

ARTICLE XII EVENTS OF DEFAULT AND REMEDIES

- Section 12.1 Events of Default Defined. (a) The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever they are used in this Lease, with respect to the Equipment, any one or more the following events:
 - (i) Except as permitted by Section 12.7 hereof, failure by Lessee to pay any Lease-Purchase Payment or other payment required to be paid under this Lease at the time specified herein and the continuation of said failure for a period of three days after telephonic or telegraphic notice given by Lessor that the payment referred to in such notice has not been received, such telephonic or telegraphic notice to be subsequently confirmed in writing, or after written notice.
 - (ii) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i) of this Section, for a period of thirty (30 days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.
 - (iii) The filing by Lessee of a voluntary petition in bankruptcy, or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental or proprietary function or adjudication of Lessee as a bankrupt, or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of the Federal Bankruptcy Statutes, as amended, or under any similar acts which may hereafter be enacted.
 - (b) The provisions of this Section 12.1 and Section 12.2 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to carry out its obligation under this Lease with respect to the Equipment, other than its obligation to pay Lease-Purchase Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of god, strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections, riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee and not resulting from its negligence. Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing Lessee from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of Lessee and Lessee shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Lessee unfavorable to Lessee.
- Section 12.2 Remedies of Default. Whenever any event of default referred to in Section 12.1, clauses (i) to (iii) hereof shall have happened and be continuing with respect to the Equipment described on Exhibit A, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:
 - (i) With or without terminating this Lease, re-enter and take possession of such Equipment and exclude Lessee from using it; provided, however, that if this Lease has not been terminated, Lessor shall return possession of such Equipment to Lessee when the event of default is cured; and provided further that Lessee shall continue to be responsible for the Lease-Purchase Payments due with respect to such Equipment during the Fiscal Year then in effect; or
 - (ii) With or without terminating this Lease, re-enter and take possession of such Equipment, and sell, lease or sublease such Equipment or any part of it, holding Lessee liable for the difference between (a) the sales price, rent and other amounts paid by the purchaser, lessee or subleasee pursuant to such sales agreement, lease or sublease and (b) the balance of the Lease-Purchase

Payments and other amounts owed by Lessee with respect to such Lease; provided, however, that nothing contained herein shall impose an obligation upon Lessor so to sell, lease or sublease such Equipment and provided that any excess proceeds from such disposition shall be retained by Lessor; or

- (iii) With or without terminating this Lease, declare all Lease-Purchase Payments during the Fiscal Year then in effect due or to become due with respect to such Lease in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Lease-Purchase Payments shall be immediately due and payable; or
- (iv) Take whatever action at law or in equity may appear necessary or desirable to collect the Lease-Purchase Payments then due and thereafter to become due during the then current Fiscal Year of Lessee with respect to such Lease, or enforce performance and observance of any obligation, agreement or covenant of Lessee under this Lease.
- Section 12.3 Return of Equipment. Upon termination of this Lease prior to the payment of all Lease-Purchase Payments, Lessee shall return the Equipment to Lessor in the condition, repair, appearance and working order required in Section 7.2, in the following manner as may be specified by Lessor: (a) by delivering the Equipment at Lessee's cost and expense to such place within the State as Lessor shall specify; or (b) by loading such portions of the Equipment as are considered movable at Lessee's cost and expense, on board such carrier as Lessor shall specify and shipping the same, freight prepaid, to the place specified by Lessor. If Lessee refuses to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession or pursue any remedy described in Section 12.2.
- Section 12.4 No Remedy Exclusive. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof by any such right and power. Each remedy may be exercised from time to time and as often as may be deemed expedient by Lessor or its assignee.
- Section 12.5 Agreement to Pay Attorney's Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys and/or incur other expenses for the collection of monies or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fee of such attorneys and/or such other reasonable expenses so incurred by the nondefaulting party. In the event that legal proceedings relating to this Lease are commenced in any court or before any other tribunal of competent jurisdiction, the reasonable legal fees and other reasonable costs and expenses of the prevailing party shall be paid by the nonprevailing party on demand of the prevailing party.
- Section 12.6 Late Charges. Whenever any event of default referred to in Section 12.1, clause (i) hereof shall have happened and be continuing with respect to the Equipment described on Exhibit A, Lessor shall have the right, at its option and without any further demand or notice, to require a late payment charge equal five percent (5.0%) per month of the delinquent Rental Payment, and Lessee shall be obligated to pay the same immediately upon receipt of Lessor's written invoice therefor; provided, however, that this Section 12.6 shall not be applicable if or to the extent that the application thereof would affect the validity of this Lease.
- Section 12.7 Non-Appropriation of Funds. (a) Notwithstanding any provision in the Lease to the contrary, in the event that no funds or insufficient funds are appropriated by Lessee's governing body for the next fiscal year for Lease-Purchase Payments due under this Lease, this Lease shall terminate the end of such fiscal year on the last day of the fiscal year for which appropriations were received and Lessee shall return the Equipment to Lessee's expense, to a destination Lessor directs, in good working condition less normal wear and tear), and cancel this Lease by notice to such effect served not less than thirty (30) days prior to the end of the Lessee's fiscal year. Lessee shall notify Lessor of nonappropriation within thirty (30) days of its occurrence.
 - (b) Lessee and Lessor acknowledge and agree that the Lease-Purchase Payments hereunder shall constitute currently budgeting expenditures of Lessee from its capital expenditure fund or successor fund thereto. Lessee's obligations under this Lease shall be subject to Lessee's annual right to terminate this Lease, and shall not constitute a mandatory charge of requirement in any ensuing fiscal year beyond the then current fiscal year. No provision of this Lease shall be construed or interpreted as creating a general obligation or other indebtedness of Lessee within the meaning of any constitutional or statutory debt limitation. This Lease shall not directly or indirectly obligate Lessee to make any payments beyond those budgeted and appropriated from its general fund for Lessee's then current fiscal year. Lessee shall be under no obligation whatsoever to exercise its option to purchase the Equipment. No provision of this Lease shall be construed to pledge or create a lien on any class or source of Lessee monies.

ARTICLE XIII ADMINISTRATIVE PROVISIONS

Section 13.1 Notices. All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid to the addresses specified below; provided, that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificate, legal opinion or other communication will be sent.

Lessor: Bell Bank Equipment Finance

15490 101st Ave N, Suite 200 Maple Grove, MN 55369

Lessee:

City of Sheboygan

828 Center Ave

Sheboygan, WI 53081-4442

- Section 13.2 Financial Information. During the Term of this Lease, Lessee annually will provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue to pay Lease-Purchase Payments required under this Lease as may be requested by Lessor or its assignee.
- Section 13.3 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.
- Section 13.4 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
- Section 13.5 Amendments, Changes and Modification. This Lease may be amended or any of its terms modified only by written document duly authorized, executed, and delivered by Lessor and Lessee.
- Section 13.6 Captions. The captions or headings in this Lease are for convenience only and in no way defend, limit or describe the scope or intent of any provisions, articles, sections or clauses of this Lease.
- Section 13.7 Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be, for carrying out the expressed intention of this Lease.
- Section 13.8 Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- Section 13.9 Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.
- Section 13.10 Anti-Discrimination. Lessor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, sexual orientation or physical defect or disability with regard to but not limited to employment, upgrading, promotion or transfer, recruitment or recruitment advertising, layoffs or termination or selection for training.
- Section 13.11 Lessor and Lessee Representatives. Whenever under the provisions of this Lease, the approval of the Lessor or the Lessee is required to take some action at the request of the other, such approval of such request shall be given by an Authorized Representative of the Lessor, for the Lessor, and by an Authorized Representative of the Lessee, for the Lessee. Any party hereto shall be authorized to rely on such approval of request.
- Section 13.12 No Present Intent to Sell. The Lessor is not acting as an Underwriter (defined below) with respect to the Lease. Lessor has no present intention to sell, reoffer, or otherwise dispose of the Lease (or any portion of the Lease or any interest in the Lease) until maturity or earlier redemption by the Lessee. The Lessor has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Lease and Lessor has not agreed with the Lessee pursuant to a written agreement to sell the Lease to persons other than the Lessor or a related party to the Lessor.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (defined below) or a related party. The term "related party" for purposes of this definition generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Lessee (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Lease to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Lease to the Public (including a member of the selling group or a party to a retail distribution agreement participating in the initial sale of the Lease to the Public).

IN WITNESS WHEREOF, Lessor has caused this Lease to be executed in its corporate name by its duly authorized officers; and Lessee has caused this Lease to be executed in its name by duly authorized officers, as of the date first above written.

ssor
as Lessee

EXHIBIT A DESCRIPTION OF EQUIPMENT

(1) 2022 Vactor iMPACT Combination Sewer Cleaner - Serial Number: 22-01V-20648, with Freightliner M2 Chassis - Serial Number: 1FVACWFE1NHNL2680

EXHIBIT B PAYMENT SCHEDULE

Commencement Date: 3/15/2022

Payment	<u>Total</u>	Interest	Principal	*Purchase
Date	<u>Payment</u>	Amount	Amount	Option Price
Lease 03/15/2022				303,006.00
1 03/15/2022	54,869.25	0.00	54,869.25	248,136.75
2022 Totals	54,869.25	0.00	54,869.25	
2 03/15/2023	54,869.25	8,543.77	46,325.48	201,811.27
2023 Totals	54,869.25	8,543.77	46,325.48	
3 03/15/2024	54,869.25	6,948.71	47,920.54	153,890.73
2024 Totals	54,869.25	6,948.71	47,920.54	
4 03/15/2025	54,869.25	5,298.72	49,570.53	104,320.20
2025 Totals	54,869.25	5,298.72	49,570.53	
5 03/15/2026	54,869.25	3,591.92	51,277.33	53,042.87
2026 Totals	54,869.25	3,591.92	51,277.33	
6 03/15/2027	54,869.25	1,826.38	53,042.87	0.00
2027 Totals	54,869.25	1,826.38	53,042.87	
Grand Totals	329,215.50	26,209.50	303,006.00	

TOTAL:

\$303,006.00

INTEREST RATE:

3.39%

All amounts received by Lessor shall be applied first to late payment charges and expenses, then to accrued interest, and then to principal payments in inverse order, as determined by lessor, as permitted by law.

^{*}Amount due after payment of Lease-Purchase Payment due on the same day.

EXHIBIT C ACCEPTANCE CERTIFICATE

The undersigned, being a duly appointed Lessee Representative, under the Lease Purchase Agreement dated as of 3/15/2022 (the ("Lease"), by and between Bell Bank Equipment Finance ("Lessor"), and the City of Sheboygan, ("Lessee"), hereby certifies on behalf of Lessee with respect to the Equipment to be acquired under Lease Exhibit A, that the portion of the Equipment described on the attachment to this Acceptance Certificate has been delivered and installed pursuant to and in accordance with said Lease and has been accepted by Lessee.

Dated:		
As Lessee:	City of Sheboygan	
	Print or type full name	
	BySignature	
	ItsTitle	

EXHIBIT C-1 REQUEST FOR DISBURSEMENT OF FUNDS

TO:

Bell Bank Equipment Finance ("Lessor")

15490 101st Ave N, Suite 200 Maple Grove, MN 55369

FROM:

City of Sheboygan ("Lessee")

828 Center Ave

Sheboygan, WI 53081-4442

The Lessee hereby requests disbursement of funds pursuant to the Lease Purchase Agreement dated 3/15/2022 (the "Lease"), between the Lessor and Lessee, as follows:

- 1. Amount to be disbursed: \$303,006.00.
- 2. The payee(s) are MacQueen Equipment.
- 3. Purchase of the payment: Payment for property as described in the Lease and Exhibit C.
- 4. Bills, receipts, invoices or other documents evidencing the amount requested are attached hereto.
- The Lessee hereby certifies that the amounts requested to be disbursed were properly incurred in connection with the acquisition of the Equipment as described in the Lease and were not subject of any previous request for disbursement.
- 6. This request is the final disbursement request.

Dated:	LESSEE	: _	City of Sheboygan
		_	Print or type full name
		Ву	
			<u>Signature</u>
		Its	Title

EXHIBIT D OPINION OF COUNSEL

To:

Bell Bank Equipment Finance ("Lessor") 15490 101st Ave N, Suite 200 Maple Grove, MN 55369

Re:

Lease Purchase Agreement by and between Bell Bank Equipment Finance, a division of Bell Bank ("Lessor") and the City of Sheboygan ("Lessee") dated as of 3/15/2022.

Ladies and Gentlemen:

I have acted as counsel to Lessee with respect to the Lease Purchase Agreement described above (the "Lease") and various related matters, and in this capacity I have reviewed a duplicate original of the Lease and various other documents. Based upon the examination of these and such other documents as we deem relevant, it is our opinion that:

- 1. The Lessee is authorized and has power under State law to purchase, rent or otherwise provide for personal property and has power under state law to enter into the Lease and to carry out the obligations thereunder and the transactions contemplated thereby.
- 2. The Lease has been duly authorized, approved, executed and delivered by and on behalf of Lessee, and the Lease is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent such enforceability is limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.
- The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting laws, public bidding laws and all other applicable laws, rules and regulations of the State.
- 4. The execution of the Lease and the appropriation of moneys to pay the Lease-Purchase Payments coming due thereunder, does not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
- 5. There is no litigation, action, suit or proceeding threatened or pending before any court, administrative agency, arbitrator or governmental body, that challenges the organization or existence of Lessee; the authority of its officers; the proper authorization, approval and execution of the Lease and the other documents contemplated thereby; the appropriation of moneys to make Lease-Purchase Payments under the Lease for Lessee's current Fiscal Year; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.
- 6. The Lease is not a general obligation debt of Lessee.

ed:			
	,	Very truly yours,	
		, , , ,	



Lessee's Authorization Resolution

Whereas, City of Sheboygan, (the "Governmental Entity"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of Wisconsin (the "State"), is authorized by the laws of the State to purchase, acquire and lease personal property for the benefit of the Governmental Entity and its inhabitants and to enter into contracts with respect thereto; and

Whereas, in order to acquire such equipment, the Governmental Entity proposes to enter into a lease-purchase transaction pursuant to that certain governmental Equipment Lease-Purchase Agreement (the "Lease") with Bell Bank Equipment Finance, a division of Bell Bank, the form of which has been presented to the governing body of the Governmental Entity at this meeting;

Section 1. Approval of Documents. The form, terms and provisions of the Lease and all other schedules and exhibits attached thereto are hereby approved in substantially the form presented at this meeting, with such insertions, omissions and changes as shall be approved by counsel of the Governmental Entity or other members of the governing body of the Governmental Entity executing the same, the execution of such documents being conclusive evidence of such approval; and the persons holding the titles listed below or any other officer of the Governmental Entity who shall have the power to execute contracts on its behalf are hereby authorized and directed to execute, acknowledge, countersign and deliver the Lease and all exhibits attached thereto, and the Secretary/Clerk of the Governmental Entity is hereby authorized to attest to the foregoing and affix the seal of the Governmental Entity to such documents.

Section 2. Other Actions Authorized. The officers and employees of the Governmental Entity shall take all action necessary as reasonably required by the parties to the Lease to carry out, give effect to and consummate the transactions contemplated thereby and to take all action necessary to conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Lease.

Section 3. No General Liability. Nothing contained in this Resolution, the Lease, or any other instrument shall be construed with respect to the Governmental Entity as incurring a pecuniary liability or charge upon the general credit of the Governmental Entity or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Lease, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Governmental Entity or any charge upon its general credit or against its taxing power, except to the extent that the payments payable under the Lease are special limited obligations of the Governmental Entity as provided in the Lease.

<u>Section 4. Authorized Signatories.</u> Following are the true names, correct titles and specimen signatures of the incumbent officers referred to in the foregoing resolution.

Name (Print or Type)	Title (Print or Type)	Signature
Section 5. Effective Date. This Resolution sha	Il be effective immediately upon its appro	oval and adoption. This Resolution was adapted and
approved on		
Signature: Secretary/Clerk		
Name Printed:		
Date:		



INSURANCE REQUIREMENTS FORM

DATE:	2/22/2022		
LEASE	PURCHAS	SE AGREEMENT NO. 102346-002	
то:			(Address)
ATTN: TEL:	2	(<i>F</i>	(City, State, Zip) Agent's Name) (Telephone Number)
		rtificate of Insurance in the name of City of SI ease") and mail within five (5) business days	neboygan covering the Lease Purchase Agreement identified above to:
	ATTN:	BELL BANK EQUIPMENT FINANCE A division of Bell Bank 15490 101 st Ave N, Suite #200 Maple Grove, MN 55369	Bell Bank Equipment Finance Representative: Sally Laing Telephone Number: (952) 905-5153 Fax Number: (833) 200-6043 Email Address: slaing@bell.bank
The ins Agreem	urance red ent identifi	quirements below are in connection with the ed above, which are incorporated herein by re	Lease and cover the equipment identified on the Lease Purchase eference (collectively, the "Equipment").
(1) 202			Number: 22-01V-20648, with Freightliner M2 Chassis - Serial
I.	PHYSIC	AL DAMAGE REQUIREMENTS:	
	A.	All Risk coverage for not less than \$303,0 certificate of Insurance. Deductible amount	06.00.The amount of the deductible must be stated here and on the t: \$
	В.	Endorsement: It is understood and agreed as Loss Payee.	d that Bell Bank and/or its assigns and/or its successors are included
	C.	Endorsement: It is understood and agreed and all collateral financed from Bell Bank p	d that this insurance is primary insurance insofar as it relates to any ursuant to the Lease.
	D.	Endorsement: It is understood and agree restriction of coverage be effected until at above address by Certified Mail, Return Re	eed that this policy shall not be cancelled, nor any reduction or least thirty (30) days prior written notice has been given to at the ceipt Requested.
	E.	Endorsement: It is understood and agreed proceeds made payable to Bell Bank and/o	d that any loss shall be adjusted with the named insured above and rits assigns and/or its successors, as their interests may appear.
have qu	iestions, pl	rchase Agreement you are required to provi lease reference the Lease or call Bell Bank to the lease purchase agreement can be com	de and maintain insurance coverage as summarized above. If you Equipment Finance. Satisfactory evidence of insurance must be pleted.
			Lessee: City of Sheboygan
			By:
			Signature

Item 12.



Title Requirements Acknowledgment

Description of Collateral:

(1) 2022 Vactor iMPACT Combination Sewer Cleaner - Serial Number: 22-01V-20648, with Freightliner M2 Chassis - Serial Number: 1FVACWFE1NHNL2680 The Collateral must be titled as follows: Lienholder Name & Address Bell Bank 15490 101st Ave N, Suite #200 Maple Grove, MN 55369 Party Responsible for Titling: ☐ I will personally submit title work to the state for processing ☐ Titling Agency will submit title work to the state for processing □ Dealer/Vendor will submit title work to the state for processing □ Trucking Co. will submit title work to the state for processing **Contact Information for Titling Party:** Street Address _____ State_____ Zip Code____ Phone Number_____ Fax Number_____ Email Address____ By signing below, I agree (1) to title the Equipment as set forth above; (2) that even if not personally submitting the title work to the state, I am responsible for ensuring that the Titling Party designated above will apply for title(s) immediately upon disbursement of funds; (3) I have confirmed that the current party holding the original title(s) or Certificate(s) of Origin for the titled equipment referenced above will deliver them to my designated Titling Party immediately upon funding; and (4) Titling Party agrees to send a copy of the processed title work application receipt as endorsed by the applicable State to the address set forth below within thirty days of funds being disbursed: Bell Bank Equipment Finance 15490 101st Ave N. Suite #200 Maple Grove, MN 55369 Customer: City of Sheboygan Dealer: MacQueen Equipment Print or Type Full Name Print or Type Full Name Signature Signature

Date:



INVOICE



City of Sheboygan 828 Center Ave Sheboygan, WI 53081-4442

Contract # 102346-002

Invoice Date: 2/15/2022

Amount Due: \$54,869.25

Payment Amount:

\$54,869.25

Documentation Fee:

Sales Tax:

Total Amount Due:

\$54,869.25

DUE 3/15/2022

OFFICE OF THE CITY CLERK 2021 ANNUAL REPORT

City Clerk Team

Meredith DeBruin, City Clerk Sherrill Smith, Election Specialist Melissa Clevenger, Deputy City Clerk Melissa Fassbender, Council/Licensing Clerk

Many of the accomplishments of the City Clerk's Office can be found in the day-to-day activities that focus on providing excellent customer service and information to the citizens of the City of Sheboygan. The office frequently provides front reception to residents and visitors and directs many incoming telephone inquiries. Our focus is on service to the community and incorporates the City's core values (S.T.A.I.R.S.) to do so. In 2021, the Clerk team also interviewed and welcomed a new Council/Licensing Clerk.

The following are just a few of the other accomplishments achieved by the City Clerk team in 2021:

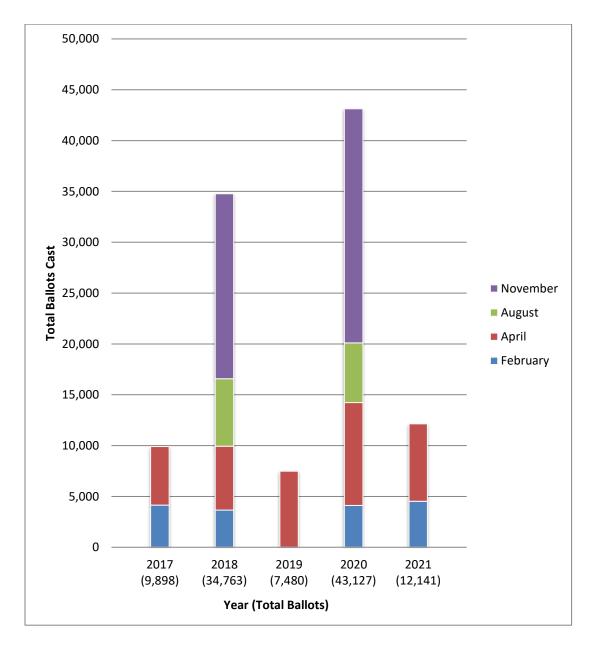
ELECTIONS

- Administered 2 elections.
- Maintained a higher level of absentee ballot requests: 48% in February and 39% in April compared to a similar year (2017) at 18% and 16%, respectively.
- Trained and employed 100+ election inspectors. In December 2021, the Mayor appointed and Council confirmed 269 election inspectors for the 2022-2023 term.
- Continued to manage elections in the midst of COVID.
 - Maintained and adjusted 8 polling locations to accommodate the 26 voting wards in the City of Sheboygan.
 - Communicated with voters the changes through local media, social media, and mailings.
 - Established safe voting polls with the use of signage, masks, hand sanitizing stations, clean pens, disinfected voting spaces, and utilized all polling locations to promote social distancing criteria.
- Processed 430 voter registrations.
- Responded to Voter registration maintenance letters sent by the Wisconsin Election Commission (1425 mailings for 4-year maintenance and approximately 1700 mailings for "Movers").
- Mailed over 500 letters to voters after Spring election for verification of absentee ballot status.
- Established new polling locations increasing the number of locations to 10 (adding one much needed location on the Southside of the City).

 With the assistance of the City of Sheboygan's Engineering Department, conducted ADA compliance surveys on new polling locations and submitted to the Wisconsin Election Commission for review.

ELECTION STATISTICS

• Total Ballots cast for 2017, 2018, 2019, 2020, and 2021 are listed below:

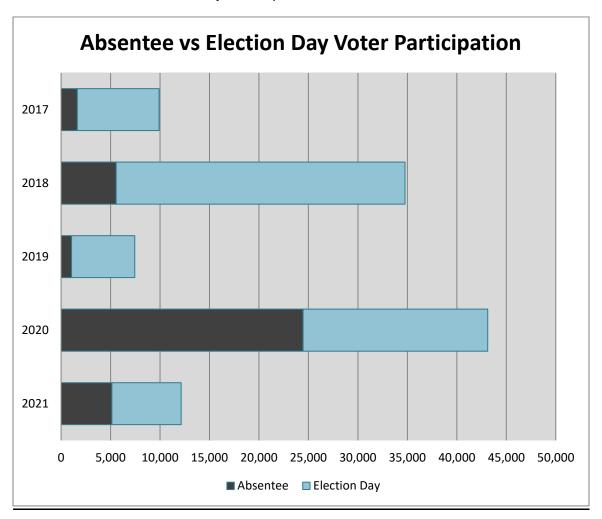


Key:

	February	April	August	November
2017	4,142	5,756		
2018	3,658	6,283	6,640	18,182
2019		7,480		
2020	4,109	10,130	5,857	23,031
2021	4,528	7,613		

ELECTION STATISTICS (continued)

• Absentee vs. Election Day Participation:



Key:

	Absentee	Election	Total	% of Absentee Ballots Cast
		Day		Daliots Cast
2017	1,638	8,260	9,898	16.5%
2018	5,573	29,190	34,763	16.0%
2019	1,059	6,391	7,450	14.2%
2020	24,453	18,674	43,127	56.7%
2021	5,134	7,007	12,141	42.3%

REDISTRICTING

- Redistricting occurs every 10 years after the U.S. Census. Due to the pandemic, the timeline for redistricting was reduced by half. The City was previously comprised of 10 districts and 26 wards (several that did not comply with the requirement of 800-3200 residents per ward). The City Clerk's office:
 - Partnered with Sheboygan County Clerk's office, Department of Public Works, and Planning Department to adjust ward lines to divide each district into 2 wards; taking into account future shifts in population that may occur in the next 10 years due to new developments.
 - Utilized the newly developed WISE-LR state computer system to adjust census blocks to draw ward boundaries. Completed and submitted all levels within necessary timeline for boundaries to be adopted by the Sheboygan County Board of Supervisors and Common Council.
 - Worked with the Engineering Department to update the City of Sheboygan maps and write ward descriptions. The newly assigned 20 wards were adopted by Council through Resolution.

COMMITTEES/COMMISSIONS/BOARDS

- Distributed agendas and minutes for all city Committees/Commissions/Boards.
- Created Common Council agendas.
- Processed Council documents (acquired signatures, prepared minutes, published the synopsis and legal notices, updated the Municipal Code, etc.).
- Archived Common Council documents.
- Maintained listings and official originals of 181 Resolutions and 47 Ordinances.
- Researched and began implementation of Municode Meetings to replace BoardDocs. Municode Meetings offers a better workflow for agenda creation as well as better search tools. In addition, it integrates with the City's use of Municode for the Code of Ordinances.

LICENSES/PERMITS

• Processed and issued the following applications/licenses (lists are not all-inclusive):

ALCOHOL RELATED LICENSES	2017	2018	2019	2020	2021
"Class A" Intoxicating Liquor	12	11	14	13	13
Class "A" Fermented Malt Beverage	49	47	44	40	43
"Class B" Intoxicating Liquor	116	112	112	112	113
Class "B" Fermented Malt Beverage	145	138	131	134	134
"Class C" Wine	12	13	9	10	14
Special B Picnic	59	69	78	27	27
Beverage Operator	690	708	726	589	608
Provisional Beverage Operator	279	159	159	101	120

ADDITIONAL PERMITS/LICENSES	2017	2018	2019	2020	2021
Taxi Driver	98	93	109	85	105
Provisional Taxi Driver	45	41	38	4	22
Massage Establishment	28	26	24	24	18
Cigarette	66	61	59	56	56
Commercial Operator	71	64	54	50	44
Residential Alarm		121	128	133	143
Commercial Alarm		344	361	353	357
Alarm Business	28	19	21	18	17
Transient Merchant	16	19	17	15	33
Mobile Food Vendor	17	20	26	25	17
Sidewalk Café	8	7	6	*15	*18

^{*}Due to the pandemic, Sidewalk Café licenses were issued free of charge for the 2020-2021 license year and given a 50% discount in the 2021-2022 license year.

Human Resources Department

2021 ANNUAL REPORT

Strategic Goals

- The Human Resources Department performs as a team of highfunctioning and trusted professionals.
- The Human Resources Department is a strategic and operational partner supporting all City of Sheboygan Departments, providing consistency and continuity across departments.

Human Resources Staff Changes

- 1/1/2021 One Generalist Position vacant
- 4/8/2021 Payroll Administrator Sandy Halvorsen transferred to City Administrator Department
- 6/1/2021 Former HR Assistant transferred to Finance Department vacancy filled by Pam Wimmer
- 7/5/2021 Payroll Administrator Sandy Halvorsen transferred to Finance Department
- 7/12/2021 HR Generalist Jenn Wray began
- 8/18/2021 HR generalist Denise Clarke separated
- 9/27/2021 HR Generalist Nicole Geschke began
- 11/29/2021 HR Director Vicky Schneider began leave of absence
- 2/25/2022 HR Administrative Assistant Pam Wimmer separating

Human Resources Staff



2021 Department Successes

- HR Pro Consulting provided ongoing leadership & guidance to HR Team
- Open Enrollment presentations for all City Employees
 15 plus presentations encompassing all benefit-eligible employees
- Performance Evaluations completed; related salary changes implemented on-time
- HR Team continues relationship building with departments to begin centralizing HR functions back under HR realm, including recruiting processes and FMLA
- Completed EEO-4 annual report utilizing Munis system on-time
- Updated onboarding paperwork for a better candidate/employee experience
- Finance Director completed retiree health Insurance audit & clean-up
- Wellness Committee revamped to Wellbeing Committee; initiated GO365
- Utilized resources from partner resources to implement best practices within the department
- Initiated Carlson-Dettmann compensation study
- Initiated mandatory employee trainings including "Creating & Sustaining Authentic Relationships in the Workplace"

Organizational Turnover

	2021	2020	2019	2018	2017	2016
Separations	54	41	36	32	32	19
New Hires	44	49	41	28	36	21

Current Number of Employees: 446

2021 Turnover: 12.11 %



2022 Health Benefit Premium Costs

	Monthly Premium	Monthly EE Cost 8.75%	Monthly ER Cost	Annual EE Cost	Annual ER Cost
Single	\$914.90	\$80.04	\$834.86	\$960.53	\$10,018.28
Ee plus Spouse	\$1,740.56	\$152.30	\$1,588.26	\$1,827.59	\$19,059.13
Ee plus Child/ren	\$1,577.78	\$138.06	\$1,439.72	\$1,656.67	\$17,276.69
Family	\$2,405.16	\$210.44	\$2,194.72	\$2,525.30	\$26,336.62

- Combined Medical and Pharmacy Out of Pocket Maximums
- Moved to UMR managing pharmacy for pharmacy savings
- Reimplementing Wellness Rates for 2023

Health Benefits Annual Costs

	2021	2020	2019	2018
Actual costs	\$6,000,247	\$4,822,622	\$5,258,505	\$6,694,677
Projected Costs	\$6,759,680	\$6,421,193	\$6,148,777	\$6,116,021
Cost/EE	\$17,566	\$13,985	\$16,993	\$17,828
Single	124	123	131	129
Family	235	222	231	247
Total	359	345	362	376
Stop Loss	\$165,000	\$165,000	\$165,000	\$165,000

2021 Plan experienced an 88.77% Loss Ratio

2022 Dental Premium Costs

	Monthly Premium	Monthly EE Cost	Monthly ER Cost	Annual EE Cost	Annual ER Cost
Single	\$47.52	\$7.14	\$40.38	\$85.68	\$484.56
Ee plus Spouse	\$95.88	\$14.38	\$81.50	\$172.56	\$978.00
Ee plus Child/ren	\$107.14	\$16.08	\$91.06	\$192.96	\$1,092.72
Family	\$157.42	\$23.62	\$133.80	\$283.44	\$1,605.60

- ▶ No Rate change for 2022
- Added Evidence Based Integrated Care
- Added Check Up Plus

2022 Goals

- Update and revise 2016 Employee Handbook
- Review, update & provide training related to all employee policies to include DEIB perspectives
- Return to utilization of Munis for employee open enrollment
- Resume employee recognition event for years of service and retirement
- Update NEOGOV software to interface with Munis
- Benefits education & resources information provided to all employees
- Implementation of Carlson-Dettmann compensation study
- Track employee training within Munis
- Create formal offboarding/exit process for separations and retirements
- Continue focus on implementation of best practices to make the city an 'employer of choice'
- Continue strengthening interdepartmental relationships & support provided by HR Department

2022 Trainings

- All Employee Trainings
 - Anti-Harassment Training (March 9)
 - ▶ DEI Training (Fall 2022)
- Implement Supervisory Leadership Training Program
 - FLSA Training for all time supervisors (completed January 2022)
 - 3 days through CVMIC (April, May & June)
 - ▶ Inclusive Leadership: Making a difference with difference
 - Succession Planning: Staying ahead of the game
 - ▶ Leadership (People View)
 - Generational Differences (April 27)
 - ▶ HR-related training of processes/procedures (FMLA, Work Comp, Onboarding/Offboarding)

Item 15.





The Finance Department manages the financial information and safe guards the assets for the City of Sheboygan according to accounting guidelines and current laws. This information provides answers to the various governmental agencies and departments along with the taxpaying public.

Vision Statement

Our vision is to transition the City of Sheboygan into a more efficient Government by enhancing financial reporting and budget analysis.

Finance Team



- Finance Director

 Hired 6/1/21
- Deputy Finance Director

 Promoted 07/04/21
- Financial Reporting Analyst

 Resigned 11/8/21
- Grant Accountant/Internal Auditor
 Vacant
- Payroll Specialist

 Moved from Human Resources
- Accounts Receivable Specialist
- Accounts Payable Specialist
 Hired 11/1/20
- General Accountant

 Hired 6/28/21
- Purchasing Agent



2021 Accomplishments

- Mapped all 13,800 Munis General Ledger accounts to proposed format
- · Increased accounts receivable collection efforts and statement processing
- Collaborated with Planning Department to implement new loan tracking software
- Introduced check scanner to deposit checks from City Hall rather than going to the bank
- Increased Auto Insurance deductible from \$1,000 to \$2,500 (est. \$19,500 annual savings)
- Began 5-year revaluation process with Grota Appraisals out of compliance since 2018
- Consolidated internal, monthly journal entries to annual entries (2,148 to 79 entries)
- Started working with new auditing firm, Baker Tilly
- Moved parking stall rental billing from AS400 system to Munis

4



2021 Accomplishments

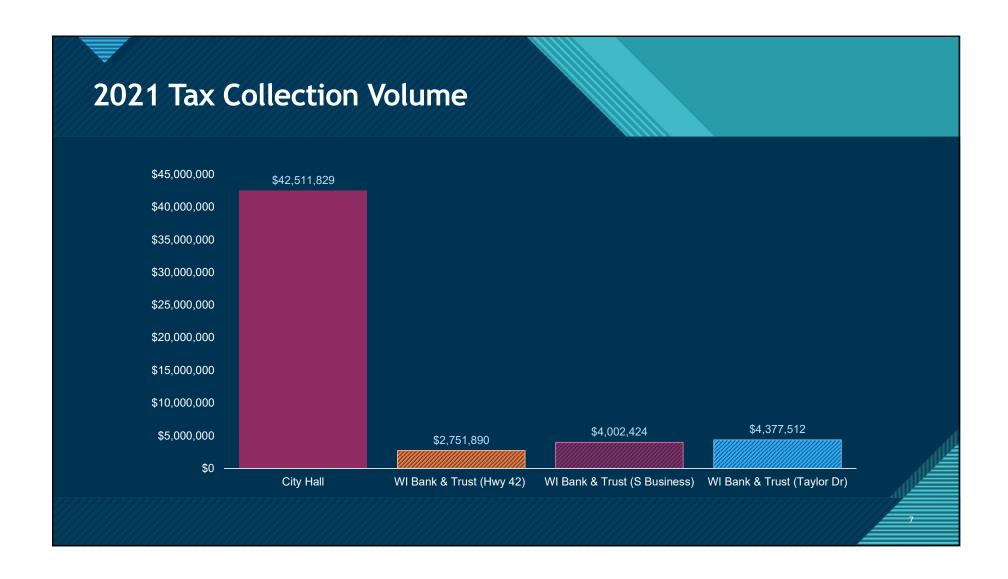
- Provided support to the Human Resources Department
- Adopted new financial policies
 - Long-Term Investment, Fund Balance and TIF Code of Ethics
- Accounts Payable Process Improvements:
 - Implemented ACH & ACI payment options for vendor payments
 - Check runs from weekly to semi-monthly
 - · Created AP Vendor Information Package; posted online
- Began creating synergies between Finance and other departments
- Started working with Ehlers (Municipal Advisors) to complete Five-Year Financial Strategic Plan

5

Key Metrics

	2020	2021
Accounts Payable Checks	5,999	4,452
Accounts Payable ACH/ACI	0	718
Credit Card Payments Processed	\$1,089,818	\$1,371,094
Taxes Collected by 1st Instalment Due Date	\$53,877,576	\$53,643,655

Item 15.





2022 Goals & Projects

- Munis System Process Improvements:
 - · Complete Chart of Account redesign
 - Implement Project and Grant Ledger module
 - Special Assessment and Delinquent Tax billing
 - Implement Capital Asset module
 - Bank Reconciliation process
 - · Retiree billing tracking
 - Tyler Payments for credit card processing
- Host Munis training for other departments to expand usage of the system
- Assist Sheboygan County with implementation of web-based property tax collection software
- Vendor Maintenance: encourage other payment methods, consolidate duplicates & update information
- Complete review and update on the Accounts Payable process for consistency throughout City depts

8



2022 Goals & Projects

- Complete 2021 audit and work with auditors to develop best practices
- Cross train to make sure all duties have a back up within the department
- Review investment broker options
- Implement municipal debt collector to assist with delinquent accounts receivables
- · Finish Five-Year Strategic Financial Plan with Ehlers and implement strategies determined
- Begin reporting quarterly financial data to the Finance & Personnel Committee
- Update and adopt additional financial policies (Examples include: Purchasing, Donation & Credit Card)

9