



CITY COUNCIL MEETING

Monday, November 06, 2023 at 6:00 PM

Council Chambers - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241

AGENDA

NOTICE: Arrangements for Addressing the City Council by Telephone, During Public Hearings or Input from the Public can be made by Contacting the City Manager's Office at 920-793-5532 or City Clerk's Office at 920-793-5526 by 4:00 p.m. on the day of the meeting

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL BY CITY CLERK**
Councilmembers: Jeff Dahlke, Bill LeClair, Darla LeClair, Tracey Koach, Tim Petri, Bonnie Shimulunas, Scott Stechmesser, Adam Wachowski
4. **CONSIDERATION OF ANY COUNCIL MEMBER REQUESTS TO PARTICIPATE IN THIS MEETING FROM A REMOTE LOCATION**
5. **INPUT FROM THE PUBLIC**
6. **COUNCIL COMMUNICATIONS**
Letters and other communications from citizens
7. **COUNCIL REPORTS FROM BOARDS/COMMISSIONS/COMMITTEES**
8. **CITY MANAGER'S REPORT**
 - A. Invited Guests
 1. VFW Post Representative Pamela Stephens, to Announce Veterans Day Programs
 2. New Employees:
 - a. Rhonda Deehr, Police Secretary/Evidence Clerk
 - b. Laura Hooper, Recreation Clerk
 - c. AJ Lorrigan, Part-Time Community House Receptionist
 - B. Bryan Grunewald from Clifton Larson Allen LLP, Presentation of the 2022 Audited Financial Statements
Recommended Action:
Motion to receive and place on file
 - C. Overview of Proposed 2024 City Budget
 - D. Status Update/Reports
 1. Staffing Updates
 2. Leaf Collection Continues Through November
 3. Participation in 2023 Spring Tree Grant Program
 4. Upcoming Events
 - a. Two Rivers Utilities Annual Food Drive, November 6-10, Donate Food Items and Recieve Lights

- b. Washington House is Extending Its Season, the Museum and Visitor Center is Open Noon-5:00 PM, Fridays-Sundays Through December 16
 - c. Creepy Crawly Typey Letterpress Workshop, November 17-18, Hamilton Wood Type & Printing Museum, Registration Required
 - d. Community Thanksgiving Meal, Thursday, November 23, 11:30 AM-2:30 PM, Senior Center
 - e. Main Street Shop Hometown Downtown Two Rivers, Saturday, November 25
 - f. Hometown Christmas Parade, Saturday, November 25, 5:30 PM, Downtown
 - g. Cool City Christmas, Saturday, December 16, Noon -6:00 PM
5. Other

E. Legislative/Intergovernmental Update

- 1. Resolution Opposing Senate Bill 455, Which Would Subject Local Storm Water Utilities to Regulations by the State Public Service Commission

Recommended Action:

Motion to read and adopt the resolution

9. CONSENT AGENDA

A. Presentation of Minutes

- 1. City Council, October 16, 2023

Recommended Action:

Motion to waive reading and adopt the minutes

B. Minutes of Meetings

- 1. Personnel & Finance, October 12, 19, 26 and November 2, 2023
- 2. Environmental Advisory Board, October 17, 2023
- 3. Joint Meeting Explore Two Rivers with Room Tax Commission, October 24, 2023
- 4. Business Improvement District Board, October 26, 2023

Recommended Action:

Motion to receive and file

C. Summary of Verified Bills for the Month of October for \$1,825,702.83

Recommended Action:

Motion to receive and file

D. Set Public Hearing on Proposed 2023 City Budget

Recommended Action:

Motion to set Public Hearing for November 27, 2023 at 6:00 PM

RECOMMENDED ACTION FOR CONSENT AGENDA

Motion to approve the Consent Agenda with the various actions recommended

10. CITY COUNCIL - FORMAL ITEMS

A. Amending Ordinance 9-8-8 Separation of Adult Entertainment Businesses

Recommended Action:

Motion to waive reading and adopt the ordinance

B. Ordinance Amending Section 9-2-5 of the Municipal Code, Entitled "Loud and Unnecessary Noises"

Recommended Action:

Motion to waive reading and adopt the ordinance

C. Ordinance Amending Section 6-1-19 of the Municipal Code, entitles "Beer Gardens

Regulated," to Modify Hours When Amplified Music or Sound is Permitted, to Make Consistent

With Provisions of Noise Ordinance (Section 9-2-5)

Recommended Action:

Motion to waive reading and adopt the ordinance

D. Ordinance Amending Section 6-10-5 of the Municipal Code, Entitled Sidewalk Cafe Permits

Recommended Action:

Motion to waive reading and adopt the ordinance

E. Ordinance for Direct Annexation Request for Property Located at 2423 County Road 0, Town of Two Rivers, submitted by Edward Zimmeth (owner)

Recommended Action:

Motion to waive reading and adopt the ordinance

F. Request for R-1 Zoning for Direct Annexation Property Located at 2423 County Road 0, Town of Two Rivers, Submitted by Edward Zimmeth (owner)

Recommended Action:

Motion to set a public hearing for Monday, December 4, 2023 at 6:00 PM

G. Waiver of Ordinances 7-1-5 (Parking in Parks), 7-1-6 (Park Closing Hours), to Allow Overnight Camping in Neshotah Park for Carnial Owners/Operators for Beach Bash, June 25-30, 2024

Recommended Action:

Motion to authorize overnight parking for three campers on the dates requested, in parking areas to be designated by the Park and Recreation Director

H. Consideration of Whether to Participate in or "Opt Out" of Class Action Settlements Related to PFAS in Drinking Water Sources From Aqueous Film Forming Foams; Report from City Attorney

--Settlement Involving DuPont de Nemours, Inc. and Others

--Settlement Involving 3M Company

I. Consideration of Tax Incremental Financing, Cash Grant and Developer's Performance Agreement Pertaining to West River Lofts, LLC Residential Development Project (To Replace Agreement Approved July 5, 2023)

Recommended Action:

Motion to authorize the City Manager and City Clerk to sign the agreement on behalf of the City

J. Consideration of Easement Agreements Related to Public Shoreline Access and Shoreline and Public Trail Improvements in Conjunction With West River Lofts Residential Redevelopment Project

(1) Agreement With West River Lofts, LLC

(2) Agreement With Scott Crawford Financial, Inc.

Recommended Action:

Motion to authorize the City Manager and City Clerk to sign the agreements on behalf of the City

11. FOR INFORMATION ONLY

A. City Council Regular Meeting, Monday, November 20, 2023, 6:00 PM

B. City Hall Closed Thursday, November 23 and Friday, November 24

C. Lester Public Library Closed Thursday, November 23

D. City Council Work Session Meeting, Monday, November 27, 6:00 PM

E. No December Work Session Meeting

12. ADJOURNMENT

Motion to dispense with the reading of the minutes of this meeting and adjourn

Please note, upon reasonable notice, efforts will be made to accommodate the needs to disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the Office of the City Manager by calling 793-5532.

It is possible that members of and possibly a quorum of governmental bodies of the municipality may be in attendance at the above stated meeting to gather information; no other action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.



CliftonLarsonAllen LLP
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City Manager and City Council
City of Two Rivers
Two Rivers, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Two Rivers, Wisconsin (the City) as of and for the year ended December 31, 2022, and have issued our report thereon dated October 1, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement letter dated December 14, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Two Rivers are described in Note 1 to the financial statements.

As discussed in Note 1.F., the entity changed accounting policies related to leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, effective January 1, 2022. Accordingly, the accounting change has been applied to the beginning of the period of adoption.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management’s estimate of the other postemployment benefits liability and related deferred inflows and outflows of resources are based on an actuarial report. We evaluated the key factors and assumptions used to develop the other postemployment benefits liability and related deferred inflows and outflows of resources in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management’s estimate of the depreciable life of the capital assets is based upon analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension liability (asset) and related deferred outflows/inflows of resources is based on information received from the Wisconsin Retirement System. We evaluated the key factors and assumptions used to develop the net pension liability (asset) and related deferred outflows/inflows of resources in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Circumstances that affect the form and content of the auditors' report

As communicated to you, the report was modified to include an emphasis of matter paragraph to highlight the change in accounting principle related to the adoption of the new accounting guidance for leases as follows:

Change in Accounting Principle

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

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated October 1, 2023.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants. We were informed by management that there were no consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

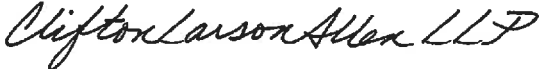
Supplementary information in relation to the financial statements as a whole

With respect to the detailed comparison of budgeted and actual revenues and expenditures, combining nonmajor fund statements, and combining fiduciary fund statements (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 1, 2023.

City Manager and City Council
City of Two Rivers, Wisconsin
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* * *

This communication is intended solely for the information and use of the City Manager, City Council, and management of the City of Two Rivers and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
October 1, 2023



TWO RIVERS WISCONSIN

October 1, 2023

CliftonLarsonAllen LLP
712 Riverfront Drive, Suite 301
Sheboygan, WI 53081

This representation letter is provided in connection with your audit of the financial statements of the City of Two Rivers, Wisconsin, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of October 1, 2023, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2022.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated December 14, 2022, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions used in making those estimates, and we believe the estimates (including those measured at fair value) and the significant assumptions used in making those accounting estimates are reasonable.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. We have not identified or been notified of any uncorrected financial statement misstatements. In addition, you have proposed adjusting journal entries that have been posted to the City's accounts. We are in agreement with those adjustments and accept responsibility for them.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
12. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity's name" during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.
13. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
14. The methods and significant assumptions used to determine fair values of financial instruments are as follows: Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
15. We have implemented GASB Statement No. 87, Leases, during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the standard. We have sufficient and appropriate documentation supporting all estimates and judgements underlying the amounts recorded and disclosed in the financial statements.
16. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
17. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.

18. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

- 11. We have a process to track the status of audit findings and recommendations.
- 12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to City of Two Rivers, Wisconsin, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 15. There are no violations or possible violations of budget ordinances, laws, and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
- 17. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
- 18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 19. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
- 20. The financial statements properly classify all funds and activities.
- 21. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 22. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 23. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 24. Provisions for uncollectible receivables have been properly identified and recorded.

25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
26. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
28. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
29. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
30. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
31. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
32. We acknowledge our responsibility for presenting the nonmajor fund combining statements and budget to actual statements (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
33. As part of your audit, you prepared the draft financial statements, related notes, and supplementary information. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, and supplementary information. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
34. We have evaluated the adequacy and results of the lease accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our lease asset and lease liability (lease schedule) based on the lease information provided by us. We have reviewed our lease contracts and related lease schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the lease schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your lease services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also

ensured that the entity's data and records are complete and received sufficient information to oversee the service.

35. In regards to the proposing routine journal entry services performed by you, we have:
- a. Made all management judgments and decisions and assumed all management responsibilities.
 - b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the results of the services.
 - e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.
36. We agree with the findings of specialists in evaluating the other postemployment benefits and pension benefits and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.

Signature:  Title: CITY MANAGER

Signature:  Title: FINANCE DIRECTOR

CITY OF TWO RIVERS, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022



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CITY OF TWO RIVERS, WISCONSIN
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CITY OF TWO RIVERS, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

City Manager and City Council
City of Two Rivers, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

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

City Manager and City Council
City of Two Rivers, Wisconsin

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

City Manager and City Council
City of Two Rivers, Wisconsin

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2023, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
October 1, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



**TWO
RIVERS**
WISCONSIN

City of Two Rivers
Wisconsin, USA
www.two-rivers.org

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Two Rivers (the City), Wisconsin, we offer readers of the City of Two Rivers' financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2022. Please consider this Discussion and Analysis in conjunction with the City's financial statements following this section.

FINANCIAL HIGHLIGHTS

The City has combined Net Position of Governmental Activities and Business-type Activities that total \$58,257,938 is an increase of \$5,915,113 compared to year-end 2021. This follows an increase of \$4,011,286 during 2021. This reflects an improvement in the financial condition for our municipality and on-going reinvestment in infrastructure.

At the end of 2022, the unassigned fund balance for the General Fund was a negative \$138,576, a decrease of \$527,889 from 2021.

The assets and deferred outflows of resources of the governmental activities of the City of Two Rivers exceeds its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$24,018,185 (*total net position*). This is an increase of \$3,477,685 from 2021.

The Proprietary Funds improved their net position in 2022 by \$2,437,428, ending the year with a Net Position of \$34,239,753. The Water Utility highlighted those funds with an increase of \$946,855.

Fifteen funds of the City experienced cash deficits at year-end, an increase from ten funds as of December 31, 2021, and a decrease from 16 funds as of December 31, 2018. For these funds to remain solvent, the City has temporarily advanced cash to these funds. While the number of funds increased slightly, the amount owed has significantly decreased from past years. These funds owe the General Fund a total of \$1,819,865, primarily from advances made to these funds in prior years. By comparison, the General Fund showed inter-fund receivables at the end of prior years as follows:

- \$1,597,266 at the end of 2021
- \$1,917,574 at the end of 2020
- \$2,617,361 at the end of 2019
- \$4,013,031 at the end of 2018
- \$3,275,519 at the end of 2017
- \$4,885,767 at the end of 2016

Funds owed to the General Fund by these other funds as of December 31, 2022 include:

--\$179,173 owed by seven of the City's twelve active Tax Incremental where monies were advanced by the General Fund in past years to finance project costs. This interfund payable decreased by \$55,734, from \$234,907 at 2021 year-end. Ten of the twelve City TID's are generating revenues sufficient to repay their debt obligations, including these interfund payables. One TID (TID #6) is currently projected to have a deficit balance at its termination date. Management conducts on-going reviews to improve the future finances of all TIDs. TID #6 has an additional \$192,060 payable to TID #7 for a loan that is payable over the next six years.

--\$1,310,258 owed by the Water Utility, due to advances for distribution system capital improvements (paid from cash, instead of borrowing) in past years, debt service on a \$4.2 million filtration plant project completed in 2003, and lower than projected revenues in recent years.

The City continues to review our billing rates and watch financial performance for the need to work with the Public Service Commission of Wisconsin on a rate case. The last rate case was completed in late 2017 and in 2018. We received approval for a 14% increase, effective 9/1/18.

Management is confident that this rate increase together with streamlining processes and cost savings measures will result in significant improvements in the cash position of this Utility. During 2020, we experienced a \$933,023 reduction in this payable. In 2021, the improvement was an additional \$206,936. There was an increase of \$50,925 in 2022. While we can't guarantee continued improvement, we are confident that we will see improvement again in 2023.

The Water also has an additional \$500,000 payable to TID #7 for a loan that is payable over the next five years.

--\$216,029 owed by the Sewer Utility for project costs and delays in implementing a rate increase to cover debt service related to plant improvement and infrastructure construction costs. This amount is up from \$65,347 at 2021 year end. A rate increase was implemented in September 2022 to assist in improving this cash deficit. There have been substantial investments in infrastructure and treatment plant renovations in recent years for the Sewer Utility.

--\$114,405 short-term amounts owed by five special revenue and capital project funds, for monies advanced by the City in recent years for the various projects. This amount is up from \$37,679 at 2021 year end. City staff is in ongoing discussions to address these advances.

Total general obligation debt for the City of Two Rivers decreased \$220,267 in the current fiscal year. Significant refinancing of debt was done in 2020 in addition to normal Capital Improvement borrowing to take advantage of favorable interest rates. The City maintains an aggressive repayment schedule on its General Obligation debt with 96.7% of the GO debt to be repaid within 10 years.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the City of Two Rivers. This annual financial report consists of three components: Government-wide Financial Statements, Fund Financial Statements, and Notes to the Financial Statements. It also contains required supplementary information and other supplementary information.

Government-wide Statements

The *government-wide financial statements* that provide information about the overall financial status of the City of Two Rivers in a manner like those used by private-sector companies.

The *statement of net position* includes all the City of Two Rivers' assets, liabilities, deferred inflows/outflows of resources of resources, with the difference reported as net position. Over time, the increases or decreases in net position serve as an indicator of improving or deteriorating financial position.

All the current year's revenues and expenses are accounted for in the *statement of activities* regardless of the timing of related cash flows. This statement presents information showing how the City's new position changed during the most recent fiscal year.

The government-wide financial statements of the City are divided into two categories:

--Governmental activities – The City’s basic services are included here, such as police, fire, public works, parks and recreation, community development, assessing, finance, and administration. Property taxes and state aid finance most of these activities

--Business-type activities – The City Two Rivers Utilities charge user fees to cover the costs of services they provide, which include water, sewer, solid waste, electricity, stormwater, and telecommunications services.

Fund Financial Statements

The remaining statements are *fund financial statements* that focus on *individual parts* of City government and report the City’s operations in *more detail* than the government-wide statements. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes and are used to ensure and demonstrate compliance with finance-related legal requirements.

The City has three kinds of funds:

--***Governmental funds*** - Most of the City’s basic services are included in governmental funds which focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, governmental funds statements tell how general government services like public safety and public works were financed in the short term as well as what future spending remains. Because this information does not encompass the additional long-term focus of government-wide statements, additional information is provided at the bottom of the governmental funds statement explaining the differences between them.

--***Proprietary funds*** - Services for which the City charges customers a fee are reported in proprietary funds, also referred to as enterprise funds. These include all the above-referenced utility funds listed in *business-type activities*. Proprietary fund statements offer short and long-term financial information about activities the City operates like a business.

--***Fiduciary funds*** - The City is the trustee, or fiduciary, for collection of all property taxes within the City for all taxing districts, including the Two Rivers Public School District, Manitowoc Public School District, Manitowoc County and Lakeshore Technical College. All the City’s fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the City’s government-wide financial statements because these assets cannot be used to finance operations.

Notes to the financial statements

The financial statements also include additional information that is essential to a full understanding of the information in the financial statements.

Required Supplemental Information

The *required supplementary information* further explains and supports the information in the financial statements related to the City’s other postemployment benefit plans and the net pension liability (asset) of the Wisconsin Retirement System.

Other Supplemental Information

In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental and proprietary funds. The non-major funds are added together and presented in single columns in the basic financial statements.

FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

Statement of Net Position

The City's combined Net Position total \$58,257,937, an increase of 11.3% from last year. Governmental Activities account for about 41.23% of the Net Position, Business-Type Activities for 58.77%.

Table A-1						
City Two Rivers Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$25,671,867	\$22,210,533	\$6,457,440	\$5,746,457	\$32,129,307	\$27,956,990
Capital assets, less depreciation	\$31,323,301	\$30,106,894	\$47,842,763	\$46,316,827	\$79,166,064	\$76,423,721
Total Assets	\$56,995,168	\$52,317,427	\$54,300,203	\$52,063,284	\$111,295,371	\$104,380,711
Deferred outflows	\$11,090,887	\$7,823,868	\$2,073,769	\$1,480,805	\$13,164,656	\$9,304,673
Long-term debt outstanding	\$23,135,581	\$23,121,653	\$18,411,900	\$18,972,106	\$41,547,481	\$42,093,759
Other Liabilities	\$2,021,269	\$1,687,582	\$1,440,302	\$1,129,233	\$3,461,571	\$2,816,815
Total Liabilities	\$25,156,850	\$24,809,235	\$19,852,202	\$20,101,339	\$45,009,052	\$44,910,574
Deferred Inflows	\$18,911,020	\$14,791,560	\$2,282,017	\$1,640,425	\$21,193,037	\$16,431,985
Net Position						
Net Investment in Capital Assets	\$17,671,413	\$16,867,866	\$30,349,996	\$28,608,328	\$48,021,409	\$45,476,194
Restricted	\$11,573,184	\$10,295,207	\$2,414,827	\$2,281,492	\$13,988,011	\$12,576,699
Unrestricted	-\$5,226,412	-\$6,622,573	\$1,474,930	\$912,505	-\$3,751,482	-\$5,710,068
Total Net Position	\$24,018,185	\$20,540,500	\$34,239,753	\$31,802,325	\$58,257,938	\$52,342,825

The Net Pension Assets and Restricted Net Position are presented in accordance with GASB Statement No. 68, due to the City's participation in the Wisconsin Retirement System.

While we have seen major shifts from Unrestricted to Restricted Net Position in recent years, the Total Net Position on these financial statements reflect consistent growth:

Year	Governmental Activities	Business-type Activities	Total	Change %
2015	18,370,455	20,831,859	39,202,314	
2016	22,537,057	21,638,900	44,175,957	+12.7%
2017	25,625,074	22,438,576	48,063,650	+ 8.8%
2018	20,250,371	25,644,460	45,894,831	- 4.5%
2019	19,132,455	27,881,265	47,013,720	+ 2.4%
2020	19,036,264	29,295,275	48,331,539	+ 2.7%
2021	20,540,500	31,802,325	52,342,825	+ 8.3%
2022	24,018,185	34,239,753	58,257,938	+11.3%

The City's Net Position for 2018 was greatly impacted on these statements by the cumulative effect of the change in accounting principle, due to the implementation of GASB Statement No. 75 related to other postemployment benefits.

In the past, the City's General Fund has contributed capital to the City's business activities. All business and government type activities are intended to be self-supporting entities. Net position of one entity is not permanently used by other entities. Contributions by the General Fund to the business type activities is intended to be repaid over time, as addressed in the "Financial Highlights" section above.

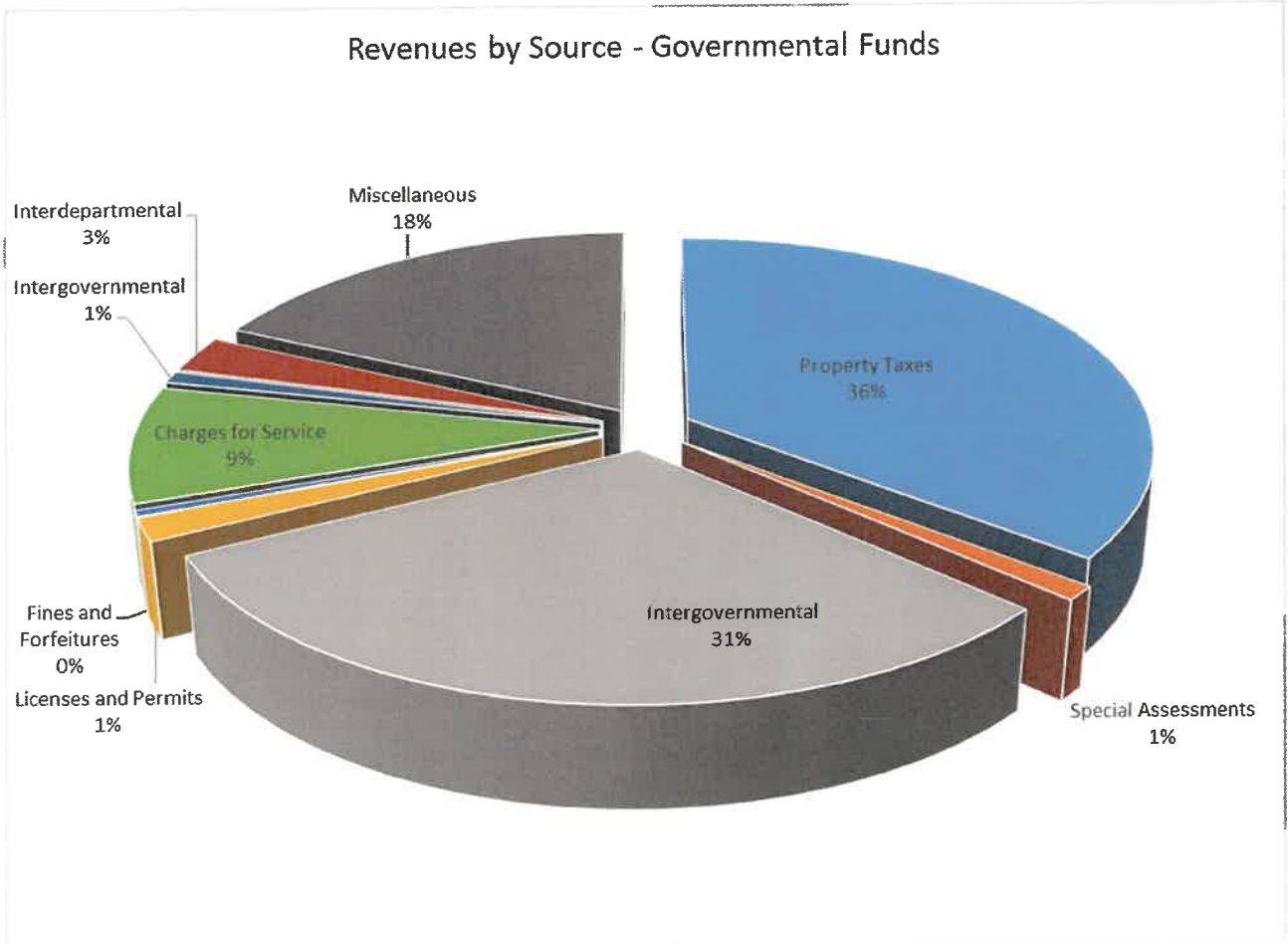
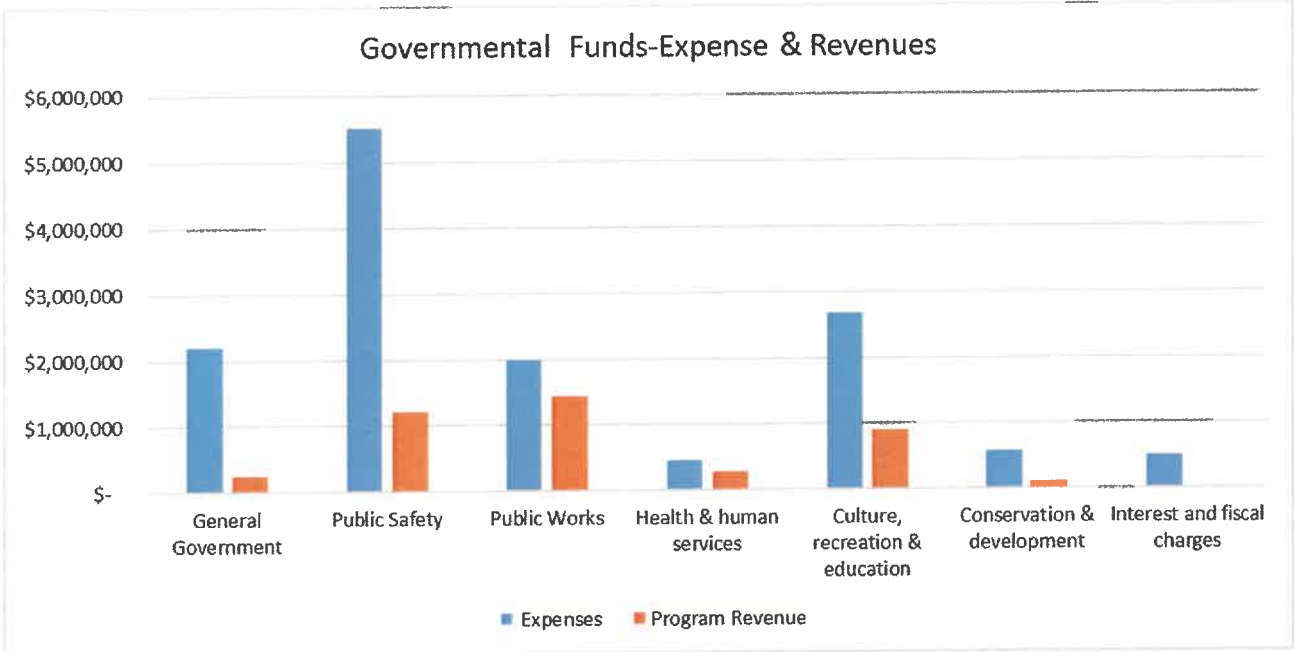
Table A-2
City of Two Rivers Statement of Activities
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 2,062,739	\$ 2,055,830	\$ 17,477,409	\$ 16,460,286	\$ 19,540,148	\$ 18,516,116
Operating Grant and Contributions	1,091,418	1,178,319	81,988	678,440	1,173,406	1,856,759
Capital Grants and Contributions	556,358	676,115	1,274,184	615,614	1,830,542	1,291,729
General Revenues						
Property Taxes	5,762,586	5,602,374			5,762,586	5,602,374
Other Taxes	300,612	240,866			300,612	240,866
Grants and Contributions not restricted to specific programs	4,310,127	4,020,643			4,310,127	4,020,643
Other	2,153,406	860,281	3,723	4,413	2,157,129	864,694
Total Revenues	\$ 16,237,246	\$ 14,634,428	\$ 18,837,304	\$ 17,758,753	\$ 35,074,550	\$ 32,393,181
Expenditures						
General Government	\$ 2,201,905	\$ 1,633,026			\$ 2,201,905	\$ 1,633,026
Public Safety	5,507,894	5,505,559			5,507,894	5,505,559
Public Works	1,567,136	2,485,391			1,567,136	2,485,391
Health & human services	459,493	365,783			459,493	365,783
Culture, recreation & education	2,646,382	2,454,408			2,646,382	2,454,408
Conservation & development	565,970	809,661			565,970	809,661
Interest and fiscal charges	515,879	523,171			515,879	523,171
Electric Utility			9,434,866	8,606,592	9,434,866	8,606,592
Water Utility			2,397,915	2,317,522	2,397,915	2,317,522
Sewer Utility			2,665,132	2,556,542	2,665,132	2,556,542
Telecommunications Utility			9,641	8,617	9,641	8,617
Solid Waste Utility			775,810	790,981	775,810	790,981
Stormwater Utility			411,414	324,642	411,414	324,642
Total Expenditures	\$ 13,464,659	\$ 13,776,999	\$ 15,694,778	\$ 14,604,896	\$ 29,159,437	\$ 28,381,895
Transfers	\$ 705,098	\$ 646,807	\$ (705,098)	\$ (646,807)	\$ -	\$ -
Change in Net Position	\$ 3,477,685	\$ 1,504,236	\$ 2,437,428	\$ 2,507,050	\$ 5,915,113	\$ 4,011,286
Net Position, Jan 1	\$ 20,540,500	\$ 19,036,264	\$ 31,802,325	\$ 29,295,275	\$ 52,342,825	\$ 48,331,539
Net position, December 31	\$ 24,018,185	\$ 20,540,500	\$ 34,239,753	\$ 31,802,325	\$ 58,257,938	\$ 52,342,825

Governmental Activities

Property taxes increased 2.86% from 2021 to 2022 and have averaged an increase of .41% per year since 2018. City administration remains focused on keeping property taxes at a manageable level, working within the regulations of the State of Wisconsin Expenditure Restraint Program and Levy Limit Increase Program.

The net position of Governmental Activities increased by \$3,477,685 driven by sale of city-owned industrial property, leverage of grant programs, cost savings measures taken, depreciation of assets, and the recording of actuarial transactions of pension and postemployment benefits. The average change to the net position of Governmental Activities over the last five years has been +\$269,462 per year.

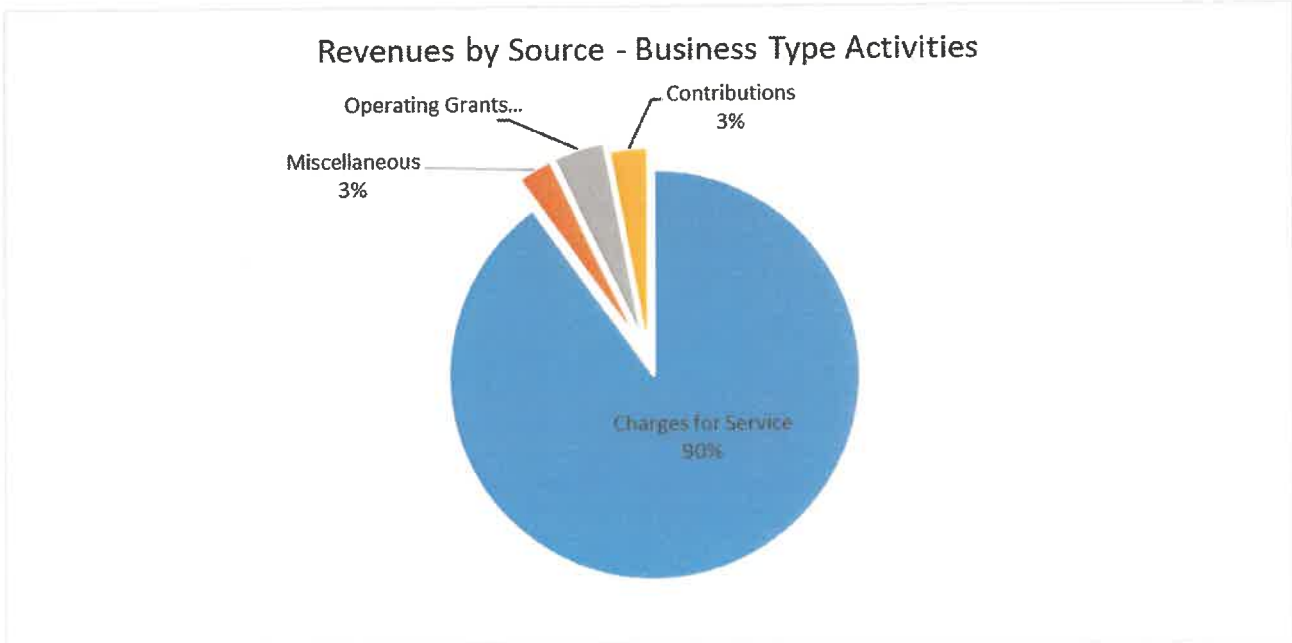
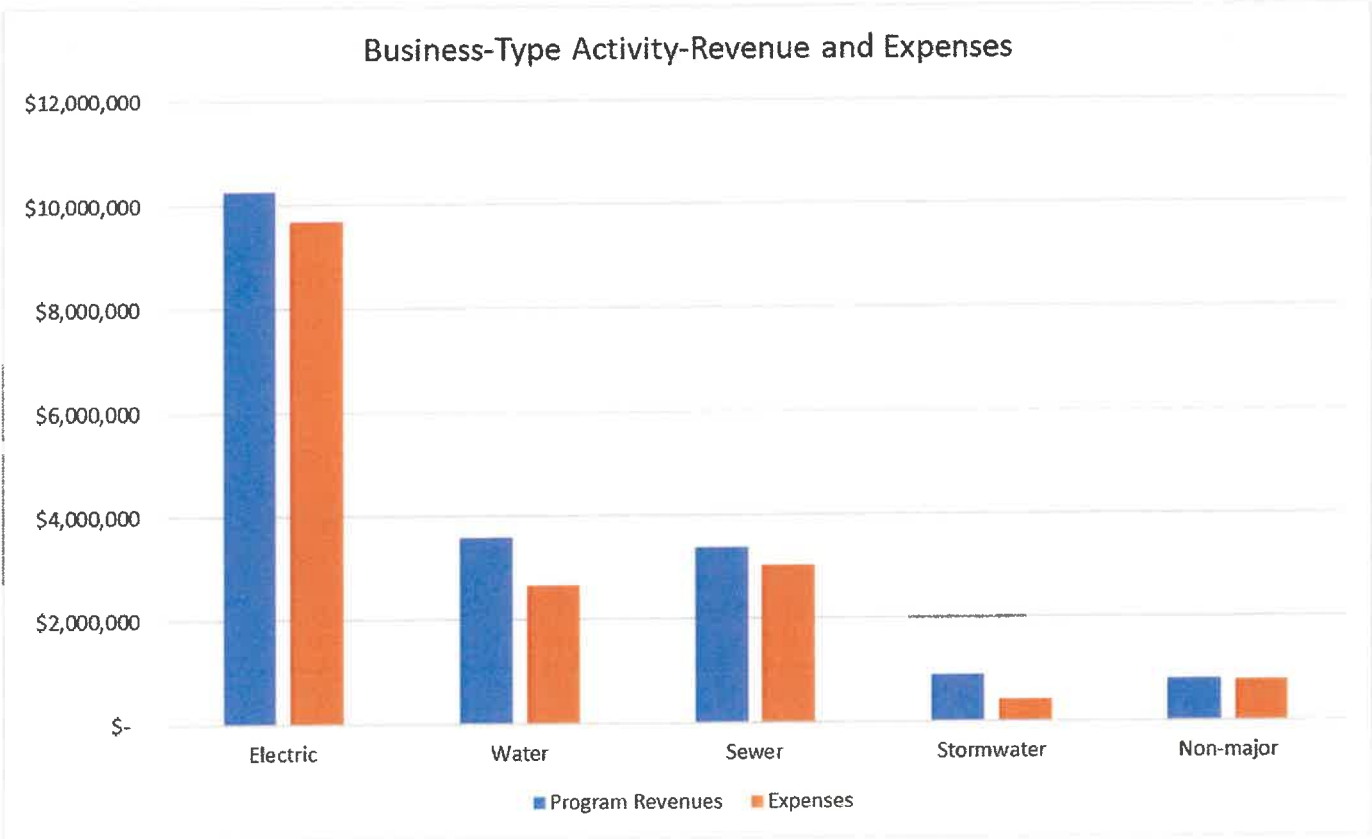


Business-type Activities

Operating Revenue for the City's business-type activities totaled 17,477,409, up 6.2% from 2021, with user fees accounting for 97.0% of all operating revenues. Business-type operating expenses totaled \$15,240,828, up 7.8% from 2021. The electric utility is the largest business type fund, accounting for 61.6% of all business-type operating expense activity. The water and sewer utilities operating expenses were \$2.3 million and \$2.5 million, respectively.

Table A-3
Change in Business Type Activity Net Position

Operating Revenues	Electric Utility	Water Utility	Sewer Utility	Telecom Utility	Solid Waste	Stormwater Utility	Total 2022	Total 2021
Charges for services	\$ 10,079,125	\$ 2,885,005	\$ 2,813,554	\$ 15,885	\$ 498,714	\$ 657,169	\$ 16,949,452	\$ 16,072,280
Other	159,979	31,768	101,014	-	235,196	-	527,957	371,062
Total Operating Revenues	10,239,104	2,916,773	2,914,568	15,885	733,910	657,169	17,477,409	16,443,342
Operating Expenses								
Operating and maintenance	8,844,493	1,681,960	1,613,948	-	775,456	239,858	13,155,715	12,089,527
Depreciation	461,775	532,385	806,555	9,641	-	107,236	1,917,592	1,880,492
Taxes	81,908	47,829	37,784	-	-	-	167,521	161,698
Total Operating Expenses	9,388,176	2,262,174	2,458,287	9,641	775,456	347,094	15,240,828	14,131,717
Operating Income (Loss)	850,928	654,599	456,281	6,244	(41,546)	310,075	2,236,581	2,311,625
Nonoperating Revenues (Expense)								
Grants	-	281,285	229,108	-	81,988	189,093	781,474	678,440
Interest Expense	(22,628)	(135,593)	(206,845)	-	(354)	(64,320)	(429,740)	(453,324)
Other	(24,062)	(148)	-	-	-	3,723	(20,487)	1,502
Total Nonoperating Revenues (Expenses)	(46,690)	145,544	22,263	-	81,634	128,496	331,247	226,618
Net Income (Loss)	804,238	800,143	478,544	6,244	40,088	438,571	2,567,828	2,538,243
Customer Contributions	23,774	313,148	179,695	-	-	58,081	574,698	615,614
Net Transfers In (Out)	(232,428)	(166,436)	(304,794)	-	(1,440)	-	(705,098)	(646,807)
Change in Net Position	595,584	946,855	353,445	6,244	38,648	496,652	2,437,428	2,507,050
Net Position - Jan 1	9,130,976	7,456,881	9,573,805	111,221	129,570	5,399,872	31,802,325	29,295,275
Net Position - Dec. 31	\$ 9,726,560	\$ 8,403,736	\$ 9,927,250	\$ 117,465	\$ 168,218	\$ 5,896,524	\$ 34,239,753	\$ 31,802,325



Historically, the Business-type Activities are making efforts to keep operating expenses in control. While we've seen decreases in demand from our customers, we've needed to constantly search for efficiencies and streamline our processes to keep expenses in control.

Year	Total Operating Expenses	Change %
2014	\$ 13,696,868	
2015	13,387,050	-2.3%
2016	13,462,619	+ .6%
2017	13,433,217	- .2%
2018	13,428,940	- .0%
2019	13,226,522	-1.5%
2020	13,911,780	+5.2%
2021	14,131,717	+1.6%
2022	15,240,828	+7.8%

The average increase in Operating Expenses has been 1.4% per year since 2014.

The most recent **Electric Utility** rate increase took effect May 1, 2020. Operating Expenses increased \$811,926 from 2022, mainly driven by a \$688.886 (10.25%) increase in purchased power costs due to higher demands from our customers and higher power costs from our supplier. Other than Purchased Power Costs, Operating Expenses increased \$123,040 (6.6%). The Electric Utility increased its Net Position \$595,584 in 2022.

In the **Water Utility**, our current rates became effective on September 1, 2018. This increased rates an average of 14%. This utility has continued to work at trimming operating expenses to reduce its cash deficit. In 2022, revenues were up 1.9%. Operating expenses were up 4.3%, due to increased depreciation, inflationary increases in supply costs, and pay increases for utility employees to remain competitive with other utilities. The Utility continues to invest in plant efficiencies, cost savings procedures and the elimination of lead services. The Water Utility increased its Net Position \$946,855 in 2022.

The **Sewer Utility** most recently raised rates effective August 1, 2022. The increase was needed to invest in plant improvements, system infrastructure, and overall financial health of the Utility. The Wastewater facility has gone through extensive remodeling and upgrading over the last six years to improve efficiency and ensure its ability to comply with environmental restrictions in the future. While the cash position of this utility has improved, staff continues to analyze revenues and expenses to solidify its financial position. Due to the increased amount of debt service related to the plant upgrades and remodeling and the ongoing infrastructure replacement, utility staff will do regular rate reviews to ensure the utility's financial stability in the future. In 2022, Operating Revenues increased 5.3% and Operating Expenses decreased 5.3%. The Sewer Utility increased its Net Position \$353,445 in 2022.

In the last part of 2014, the City created a **Stormwater Utility**. This user fee has raised money to maintain the City's Stormwater infrastructure and to fund mandated runoff programs. The fund has performed well, creating equity reserves that are being invested in much-needed infrastructure. The Stormwater Utility increased its Net Position \$496,652 in 2022.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed 2022, its governmental funds reported a combined fund balance of \$8,221,143, the highest in recent history. The City is making every attempt not to draw on its fund balance and is continuing to concentrate on rebuilding the General Fund Balance. This continues to be a major challenge, as General Fund revenues from both property taxes and intergovernmental sources have been restricted, frozen or reduced. While the activity in 2022 does not reflect it, the City has seen significant improvement in the Unassigned category in recent years due to the reduction of cash deficit in other funds, most significantly in the Water Utility. The chart below shows a history of the Fund Balance for Governmental Funds:

Summary of Fund Balance for Governmental Funds

Year	Fund Balance	Nonspendable	Restricted	Committed	Unassigned
2011	\$ 7,102,083	\$ 3,208,736	\$ 5,502,734	\$ 424,424	\$ (2,033,811)
2012	6,221,759	2,938,240	4,410,213	368,072	(1,494,766)
2013	5,786,344	3,005,684	3,472,718	1,335,350	(2,027,408)
2014	5,910,200	2,682,999	3,020,131	1,289,687	(1,082,617)
2015	4,488,158	2,893,674	2,576,394	620,359	(1,602,269)
2016	4,855,232	3,173,913	2,856,578	923,268	(2,098,527)
2017	5,759,328	3,215,134	2,996,793	1,145,941	(1,598,540)
2018	4,663,934	4,116,560	3,089,522	707,006	(3,249,154)
2019	5,942,069	3,004,735	3,955,820	760,663	(1,779,149)
2020	6,322,303	2,466,515	3,963,047	702,364	(809,623)
2021	6,640,500	2,223,949	2,879,845	1,767,456	(230,750)
2022	8,221,143	2,484,460	4,203,414	2,264,873	(731,604)

GENERAL FUND BUDGETARY HIGHLIGHTS

All budgets are adopted at the department level of expenditures. In 2022, General Fund revenues fell short of the budgeted amount by \$262,934 (2.7% of budget) per both summarized and detailed budget schedules in the statements. Total expenditures were \$128,330 under budget (1.2% of budget), resulting in a \$184,289 operating deficit and year-end Fund Balance in the General Fund of \$2,345,884.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Net Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year.

Table A-4
 City of Two Rivers Capital Assets
 (Net of Depreciation/Amortization and Related Debt)

	Governmental Activities	Business Type Activities	Total
Land	\$ 903,877	\$ 36,944	\$ 940,821
Construction in Progress	513,495	2,939,975	3,453,470
Buildings	15,117,628	8,460,906	23,578,534
Improvements	4,134,620	45,962,866	50,097,486
Equipment	12,424,773	20,457,655	32,882,428
Infrastructure	37,777,765	-	37,777,765
Lease Assets-Machinery & Equipment	221,451	119,964	341,415
Total Capital Assets	\$ 71,093,609	\$ 77,978,310	\$ 149,071,919
Less: Acc. Depreciation & Amortization	(39,770,308)	(30,135,547)	(69,905,855)
Less: Related long-term debt outstanding	(13,651,888)	(17,492,767)	(31,144,655)
Total Invested in Capital Assets	\$ 17,671,413	\$ 30,349,996	\$ 48,021,409

A comparison to this information in the 2015 financial statement shows the reinvestment in the community that the City is making. Total Capital Assets have increased \$34,851,795 in that period (average of \$4.98 million per year). At the same time, the related outstanding debt has increased \$4,430,893 (average of \$632,985 per year).

Long-term Debt

At year-end, the City had \$18,320,188 in outstanding general obligation (G.O.) debt that is subject to statutory debt limitations. That amount of debt is equivalent to 52.74% of the statutory debt limit (5% of equalized valuation, or \$34,738,220 as of December 31, 2022). This level of G.O. debt is in compliance with City’s long-term policy of staying at or below 60% of the statutory limit. The City had fallen out of compliance with this self-imposed policy as the result of issuing debt for water and sewer projects in 2011 as G.O. debt, rather than revenue debt, due to the weak financial condition of the water and sewer utilities. Also, the City had need to replace a lift span bridge which the City was able to secure a large amount of Federal and State funding; however, the City share of the project was over \$3 million. This amount is included in our G.O. debt. The philosophy of current City leadership is that the need for on-going infrastructure improvements has outweighed the need to stay within that 60 percent guideline.

During this period, the City also saw significant decreases in Equalized Values caused both by national economic conditions (2007-09 “Great Recession”) and a major local plant closure in 2011-13. (see Equalized Value History in the *Economic Development & Community Notes* section on the following page). Equalized values have increased in years 2019-22, including an increase of 17.99% in 2022, and due to the local housing market the City anticipates 2023 will maintain this trend. The City’s legal margin for new G.O. debt as of December 31, 2022 is \$16,418,032, compared to December 31, 2021 of \$10,900,405

Outstanding revenue bonds to be repaid from the Water Utility totaled \$3,473,881 at the end of 2022, associated with a \$4.2 million upgrade of the water filtration plant, completed in 2005 (funded through a 20-year Safe Drinking Water Fund borrowing, at 2.365%) and various infrastructure projects. The final debt service payment on the plant upgrade debt will be made in 2023, eliminating a \$278,000 annual debt payment.

Outstanding revenue bonds to be repaid from the Sewer Utility totaled \$9,190,067 at the end of 2022. This debt is associated with a \$6.2 million upgrade of the wastewater treatment plant completed in 2009 (funded through a 20-year Clean Water Fund borrowing at 2.39%), a major renovation of the wastewater treatment plant started in 2018 (funded through a 20-year Clean Water Fund borrowing at 1.87%), and Phase Two of the major renovation started in 2019 (funded through a 20-year Clean Water Fund borrowing at 1.65%).

Outstanding State Trust Fund loans to be repaid from the Electric Utility totaled \$179,392 at the end of 2022. It represents the remaining balance on a debt issue to cover the Electric Utility’s portion of the Wisconsin Retirement Unfunded Pension Liability.

The Stormwater Utility is responsible for repayment of \$1,400,848 in revenue bond debt. This debt was issued for Stormwater infrastructure and shoreline erosion protection in 2020 and for a stormwater retention pond project in 2021.

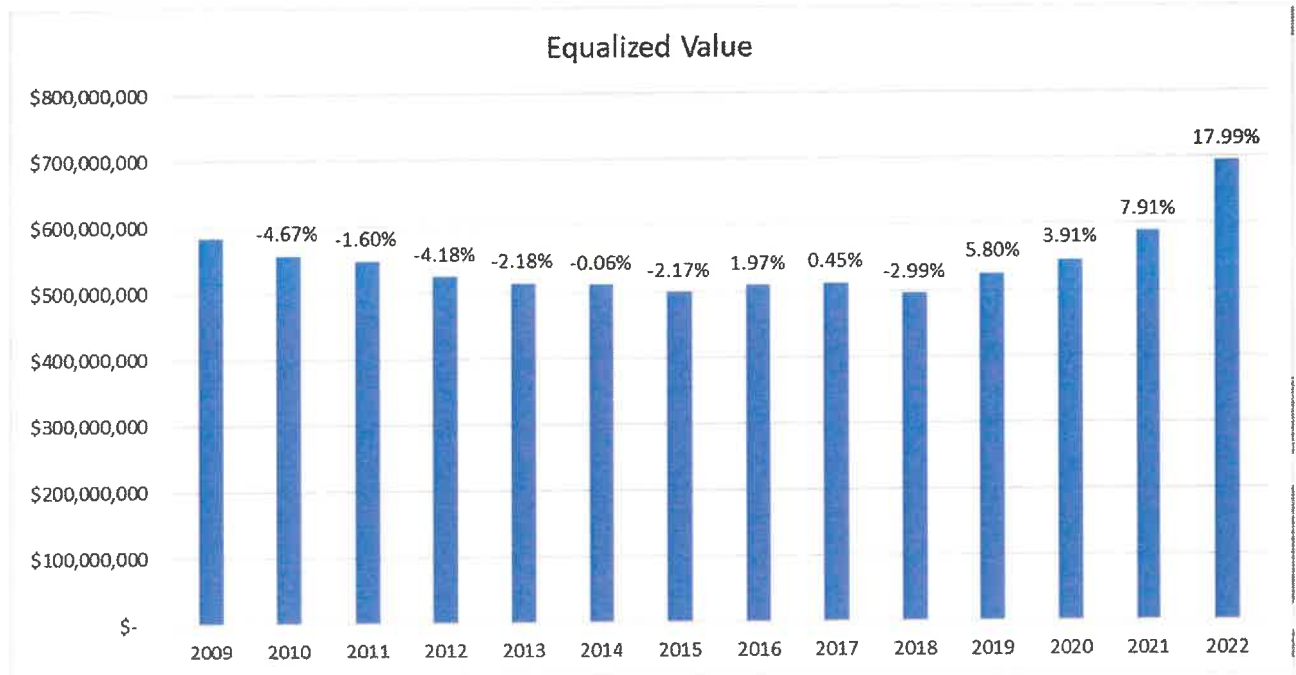
The Solid Waste Utility took out a small loan to eliminate its share of the Wisconsin Retirement Unfunded Pension Liability. The principal balance on this loan as of the end of 2021 is \$9,326.

The above-cited utility revenue bonds do not affect the City's borrowing capacity for general obligation debt.

ECONOMIC DEVELOPMENT & COMMUNITY NOTES

The City's location on the shore of Lake Michigan, with well-maintained infrastructure, sound housing, and available residential development land, makes it attractive for residential and small business development.

The City's Equalized Value for 2022 is the highest it has ever been, recovering from when the area was feeling the impact of a recession and a local plant closing. Equalized value had increased an average of 3% annually from 2005 to 2009. The recession of 2008 had an adverse impact on the local tax base, reflective of the declines experienced in other areas of the state and nation. Total Equalized Value, dating back to its previous high point in 2009, is as follows:



The City's development efforts in recent years have addressed both new, greenfield development, and the redevelopment of existing sites in the community. Its twelve active tax incremental financing (TIF) districts are performing well, with \$35.0 million in new tax base created. The total equalized value of the TIF districts is \$54.2 million. Three more districts were created in 2021 and another in one in 2022. These districts are projected to have a significant impact in coming years. Wisconsin's TIF law has created new opportunities for existing TIF districts to spur additional development. Two Rivers has also used its \$2.5 million Economic Development Revolving Loan Fund to help finance various commercial and manufacturing projects.

As a mature community with a relatively modest tax base, the City continues to be heavily dependent on State Shared Revenue and Expenditure Restraint Programs, which account for about 34.5% of its General Fund Revenue Budget. This major revenue source has seen no growth in recent years. Aggressive cost-cutting strategies have helped hold down growth in operating budgets and the City's tax rate; 28 full-time positions have been eliminated from a workforce of 140 over the past 15 years, largely through attrition. The City's 2022 General Fund budget is

\$1,281,752 more than the 2000 General Fund Budget, resulting in a 13.43% increase over 22 years, or .61% annually. This reflects the aggressive cost containment that has been occurring over the last 22 years.

Use of a five-year capital improvement plan, updated annually, has allowed the City to re-invest aggressively in its infrastructure, while keeping debt levels manageable. Debt retirement schedules are aggressive, with approximately 96.7% of G.O. debt principal due in 10 years or less. Reinvestment in City facilities and infrastructure is viewed as essential for the long-term economic health of the City, and significant Federal and State funds (notably for street and bridge projects) have been leveraged by the City to aid such reinvestment. A debt policy was adopted in 2007, which formalized the City's longstanding practice of maintaining general obligation debt levels at or below 60% of statutory limits.

Economic Development Activity and Investments in City Infrastructure and Quality of Life Facilities

Sleger Holdings LLC, broke ground in 2021 for an \$1.3 million, 12,000 square-foot building project for their Two Rivers facility. The project, aided by a grant from the City TID #14, houses All Energy Management that serves clients with wind and solar power technology.

Wine Not LLC completed a \$2.5 million redevelopment of a vacant downtown bank building in 2021. Opening late in 2022, Wine Not LLC converted the building into Cool City Brewing Company as a coffee house and a micro beer brewery. In a separate purchase, Wine Not LLC also purchased a long-vacant, former gas station with plans to invest funds in developing the building into a mixed-use retail establishment.

Sandy Bay Highlands Conservation Subdivision, Phase 2. With most of the lots in Phase 1 sold, the City budgeted in 2017 to proceed with development of Phase 2 of this residential subdivision. Planning and construction of the project began in 2017 and has extended street and utility infrastructure to serve another 19 single family home sites. Eleven parcels have been sold in the subdivision in the last eighteen months and the City is looking forward to seeing several new homes in 2022. Marketing of the subdivision continues. The City is currently developing plans to begin Phase 3 of the subdivision.

Central Park West 365 is a City-let project to redevelop the west half of the downtown park. Major fundraising efforts were successful in funding a \$1.6 million project to transform the park into a year-round venue for outdoor activities in the heart of downtown. Activities include a splash pad, ice skating rink, a concession building and a stage venue for concerts. Construction is underway with a ribbon cutting planned in the summer of 2023.

Located 10 miles north of the city limits, **Next Era Energy's Point Beach Nuclear Power Plant** is a major factor in the local economy. The plant's two reactors are currently licensed to operate through 2030 and 2033. A \$500 million upgrade project was completed in 2011, resulting in a 17% increase in the plant's power output. The project also enhanced the long-term viability of the facility, which has a permanent workforce of 700 people and provides employment for many contractors. Next Era Energy has announced its intent to pursue re-licensing of the reactors, each for an additional 20 years of operation.

One large solar energy project was completed in 2020 in an area adjacent to the Point Beach Nuclear Plant and a second was completed in 2021. The 150 megawatt Two Creeks Solar project is a joint project of Wisconsin Public Service Corporation and Madison Gas and Electric, who invested an estimated \$195 million in the project, which began producing energy in November 2020. The 100-megawatt Point Beach Solar project was constructed by Next Era Energy to provide energy per a long-term purchase power contract with WPPI Energy, wholesale electricity provider to Two Rivers and 50 other municipal utilities.

Washington Highlands Senior Apartments & Condominiums. Construction of a new, eight-unit, market rate senior apartment building was completed in 2018. This \$1.2 million investment added to the valuation of this financially healthy redevelopment TID, consisting of residential condos and apartments on the former Two Rivers High School site. Construction was completed in 2021 on three additional 2-unit condominiums. The developer already owns land in the area for potential further expansion.

Wayside on Memorial Drive. In 2020, the City finalized the transfer of a five-acre facility on the shores of Lake Michigan from the Wisconsin Department of Transportation. The City has assumed the responsibility of upkeep and maintenance on the facilities and the grounds, including the investment already made in tree plantings. In 2018, the "Spirit of the Rivers" sculpture, a large piece of community-funded public art, was installed on the site. Budget for the Spirit project, funded entirely from private sources, was \$1.6 million.

Woodland Dunes Nature Center & Preserve recently completed construction on a 5,000 square-foot expansion to its Nature Center. The \$2.2 million project, funded through a capital campaign, will accommodate larger groups for school visits, classes, and workshop.

Van Der Brohe Arboretum purchased a former 65-acre golf course in 2020 and is in the midst of long-term plans to develop the property into an ecological center focused on providing an environment for the cultivation and display of a variety of tree types and plant species. Construction of the walking trails, installation of art displays, and planting of a variety of vegetation occurred in 2021. Plans include the construction of a visitor's center and an outdoor event venue.

The Confluence, LLC. In November 2022, the City approved a development agreement with an investor group proposing an \$18 million project to construct 71 new market rate apartments on a former industrial site on the East Twin River near downtown.

Ongoing review of five-year utility business plans and more frequent rate filings by the City's utilities is intended to eliminate past utility fund deficits that have been covered by loans from the General Fund. With a revenue base made up largely of residential customers, demand for utility services is growing slowly; aggressive cost containment measures along with prudent rate adjustments are necessary to put the utility funds back "in the black."

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organization, and local communities. Specific to the City, COVID-19 may impact parts of its 2022 operations and financial results. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated at this time.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact:

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BASIC FINANCIAL STATEMENTS

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 10,072,666	\$ 1,796,547	\$ 11,869,213
Receivables:			
Taxes	3,524,095	247,129	3,771,224
Accounts	99,721	2,457,540	2,557,261
Special Assessments	557,616	228,614	786,230
Loans	3,542,833	-	3,542,833
Other	-	227,769	227,769
Leases	212,735	-	212,735
Internal Balances	1,907,898	(1,907,898)	-
Due from Other Governments	-	600,703	600,703
Prepaid Items	747,684	392,209	1,139,893
Restricted Assets:			
Cash and Investments	-	1,482,457	1,482,457
Net Pension Asset	5,006,619	932,370	5,938,989
Capital Assets, Nondepreciable / Nonamortizable	1,417,372	2,976,919	4,394,291
Capital Assets, Depreciable / Amortizable, Net	29,905,929	44,865,844	74,771,773
Total Assets	56,995,168	54,300,203	111,295,371
 DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	9,759,772	1,820,224	11,579,996
Other Postemployment Benefit Related Amounts	1,331,115	253,545	1,584,660
Total Deferred Outflows of Resources	11,090,887	2,073,769	13,164,656

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 338,569	\$ 1,169,147	\$ 1,507,716
Accrued and Other Current Liabilities	372,452	51,749	424,201
Due to Other Governments	46,019	-	46,019
Accrued Interest Payable	304,588	121,633	426,221
Special Deposits	34,452	97,773	132,225
Unearned Revenues	925,189	-	925,189
Long-Term Obligations:			
Due within One Year	2,342,654	1,903,771	4,246,425
Due in More than One Year	14,477,213	15,306,827	29,784,040
Other Postemployment Benefits:			
Due within One Year	366,648	58,787	425,435
Due in More than One Year	5,949,066	1,142,515	7,091,581
Total Liabilities	25,156,850	19,852,202	45,009,052
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	6,454,537	-	6,454,537
Lease Related	212,735	-	212,735
Pension Related Amounts	11,791,450	2,195,889	13,987,339
Other Postemployment Benefit Related Amounts	452,298	86,128	538,426
Total Deferred Inflows of Resources	18,911,020	2,282,017	21,193,037
NET POSITION			
Net Investment in Capital Assets	17,671,413	30,349,996	48,021,409
Restricted:			
Housing and Business Loans	5,040,168	-	5,040,168
Library Operations and Donations	97,694	-	97,694
WDF Administrative	200	-	200
EMS Act 102 Grant	22,311	-	22,311
Affordable Housing	141,477	-	141,477
Medical/Hospital Equipment	18,889	-	18,889
Tax Incremental Districts	1,245,826	-	1,245,826
Debt Service	-	284,924	284,924
Capital Assets	-	1,197,533	1,197,533
Pension Benefits	5,006,619	932,370	5,938,989
Unrestricted	(5,226,412)	1,474,930	(3,751,482)
Total Net Position	\$ 24,018,185	\$ 34,239,753	\$ 58,257,938

See accompanying Notes to Basic Financial Statements.

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

FUNCTIONS/PROGRAMS	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Governmental Activities:			
General Government	\$ 2,201,905	\$ 68,333	\$ 183,969
Public Safety	5,507,894	1,104,531	91,010
Public Works	1,567,136	368,330	546,911
Health and Human Services	459,493	270,889	9,358
Culture and Recreation	2,646,382	151,476	260,170
Conservation and Development	565,970	99,180	-
Interest and Fiscal Charges	515,879	-	-
Total Governmental Activities	13,464,659	2,062,739	1,091,418
Business-Type Activities:			
Electric Utility	9,434,866	10,239,104	-
Water Utility	2,397,915	2,916,773	-
Sewer Utility	2,665,132	2,914,568	-
Telecommunications Utility	9,641	15,885	-
Solid Waste	775,810	733,910	81,988
Stormwater Utility	411,414	657,169	-
Total Business-Type Activities	15,694,778	17,477,409	81,988
Total Functions/Programs	\$ 29,159,437	\$ 19,540,148	\$ 1,173,406

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Program Revenues	Net Revenue (Expense) and Changes in Net Position		
	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General Government	\$ -	\$ (1,949,603)	\$ -	\$ (1,949,603)
Public Safety	13,415	(4,298,938)	-	(4,298,938)
Public Works	87,147	(564,748)	-	(564,748)
Health and Human Services	-	(179,246)	-	(179,246)
Culture and Recreation	455,796	(1,778,940)	-	(1,778,940)
Conservation and Development	-	(466,790)	-	(466,790)
Interest and Fiscal Charges	-	(515,879)	-	(515,879)
Total Governmental Activities	556,358	(9,754,144)	-	(9,754,144)
Business-Type Activities:				
Electric Utility	23,774	-	828,012	828,012
Water Utility	594,433	-	1,113,291	1,113,291
Sewer Utility	408,803	-	658,239	658,239
Telecommunications Utility	-	-	6,244	6,244
Solid Waste	-	-	40,088	40,088
Stormwater Utility	247,174	-	492,929	492,929
Total Business-Type Activities	1,274,184	-	3,138,803	3,138,803
Total Functions/Programs	\$ 1,830,542	(9,754,144)	3,138,803	(6,615,341)
GENERAL REVENUES AND TRANSFERS				
Taxes:				
Property Taxes		5,762,586	-	5,762,586
Other Taxes		300,612	-	300,612
Federal and State Grants and Other Contributions				
Not Restricted to Specific Functions		4,310,127	-	4,310,127
Interest and Investment Earnings		210,316	3,723	214,039
Miscellaneous		1,812,055	-	1,812,055
Gain on Sale of Asset		131,035	-	131,035
Transfers		705,098	(705,098)	-
Total General Revenues and Transfers		13,231,829	(701,375)	12,530,454
CHANGE IN NET POSITION		3,477,685	2,437,428	5,915,113
Net Position - Beginning of Year		20,540,500	31,802,325	52,342,825
NET POSITION - END OF YEAR		\$ 24,018,185	\$ 34,239,753	\$ 58,257,938

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Housing Revolving Loans	Other Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 1,383,816	\$ 1,121,670	\$ 173,288	\$ 7,357,596	\$ 10,036,370
Receivables:					
Taxes	1,367,111	1,378,937	-	759,670	3,505,718
Delinquent Taxes	18,377	-	-	-	18,377
Accounts	95,771	-	-	3,950	99,721
Special Assessments	557,616	-	-	-	557,616
Loans	-	-	2,354,206	1,188,627	3,542,833
Leases	212,735	-	-	-	212,735
Due from Other Funds	1,819,865	-	-	662,060	2,481,925
Prepaid Items	747,684	-	-	-	747,684
	<u>\$ 6,202,975</u>	<u>\$ 2,500,607</u>	<u>\$ 2,527,494</u>	<u>\$ 9,971,903</u>	<u>\$ 21,202,979</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 113,181	\$ 253	\$ 1,287	\$ 223,848	\$ 338,569
Accrued and Other Current Liabilities	359,917	-	-	12,535	372,452
Due to Other Funds	-	-	-	574,027	574,027
Due to Other Governments	23,942	-	-	22,077	46,019
Special Deposits	28,153	-	-	6,299	34,452
Unearned Revenues	74,500	-	-	850,689	925,189
Total Liabilities	<u>599,693</u>	<u>253</u>	<u>1,287</u>	<u>1,689,475</u>	<u>2,290,708</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	2,563,640	2,518,625	-	1,372,272	6,454,537
Loans Receivable	-	-	2,354,206	1,188,627	3,542,833
Lease Related	212,735	-	-	-	212,735
Special Assessments	481,023	-	-	-	481,023
Total Deferred Inflows of Resources	<u>3,257,398</u>	<u>2,518,625</u>	<u>2,354,206</u>	<u>2,560,899</u>	<u>10,691,128</u>
FUND BALANCES					
Nonspendable	2,484,460	-	-	-	2,484,460
Restricted	-	-	172,001	4,031,413	4,203,414
Committed	-	-	-	2,264,873	2,264,873
Unassigned	(138,576)	(18,271)	-	(574,757)	(731,604)
Total Fund Balances	<u>2,345,884</u>	<u>(18,271)</u>	<u>172,001</u>	<u>5,721,529</u>	<u>8,221,143</u>
	<u>\$ 6,202,975</u>	<u>\$ 2,500,607</u>	<u>\$ 2,527,494</u>	<u>\$ 9,971,903</u>	<u>\$ 21,202,979</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances					

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	\$ 8,221,143
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	31,323,301
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	4,023,856
Net position of the internal service fund is reported in the Statement of Net Position as governmental activities.	36,296
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds:	
Deferred Outflows Related to Pensions	9,759,772
Deferred Inflows Related to Pensions	(11,791,450)
Deferred Outflows Related to Other Postemployment Benefits	1,331,115
Deferred Inflows Related to Other Postemployment Benefits	(452,298)
Long-term assets are not current financial resources; therefore, are not reported in the funds:	
Net Pension Asset	5,006,619
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and Notes Payable	(15,798,991)
Premium on Debt	(627,963)
Lease Liability	(186,628)
Compensated Absences	(206,285)
Other Postemployment Benefits Liability	(6,315,714)
Accrued Interest on Long-Term Obligations	<u>(304,588)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 24,018,185</u>

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Housing Revolving Loans	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 2,247,151	\$ 2,380,752	\$ -	\$ 1,443,048	\$ 6,070,951
Special Assessments	141,304	-	-	38,491	179,795
Intergovernmental	4,590,912	-	-	653,155	5,244,067
Licenses and Permits	285,956	-	-	-	285,956
Fines and Forfeits	78,185	-	-	-	78,185
Public Charges for Services	1,234,214	-	-	244,514	1,478,728
Intergovernmental Charges for Services	146,842	-	-	-	146,842
Interdepartmental Charges for Services	471,808	-	-	-	471,808
Miscellaneous	277,610	48,220	100,924	2,596,769	3,023,523
Total Revenues	<u>9,473,982</u>	<u>2,428,972</u>	<u>100,924</u>	<u>4,975,977</u>	<u>16,979,855</u>
EXPENDITURES					
Current:					
General Government	1,171,055	-	-	212,450	1,383,505
Public Safety	6,150,004	-	-	98,484	6,248,488
Public Works	1,567,885	-	-	102,198	1,670,083
Health and Human Services	325,420	-	-	153,148	478,568
Culture and Recreation	1,150,482	-	-	1,344,360	2,494,842
Conservation and Development	-	-	28,839	1,030,367	1,059,206
Capital Outlay	-	-	-	2,412,848	2,412,848
Debt Service:					
Principal	-	2,083,731	-	11,832	2,095,563
Interest and Fiscal Charges	-	599,957	-	11,481	611,438
Total Expenditures	<u>10,364,846</u>	<u>2,683,688</u>	<u>28,839</u>	<u>5,377,168</u>	<u>18,454,541</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(890,864)	(254,716)	72,085	(401,191)	(1,474,686)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	610	-	2,304,390	2,305,000
Lease Proceeds	-	-	-	105,182	105,182
Premium on Debt Issued	-	88,474	-	-	88,474
Proceeds from Sale of Capital Assets	23,770	-	-	160,968	184,738
Transfers In	1,041,789	165,963	-	965,794	2,173,546
Transfers Out	(358,984)	(47,916)	-	(1,394,711)	(1,801,611)
Total Other Financing Sources (Uses)	<u>706,575</u>	<u>207,131</u>	<u>-</u>	<u>2,141,623</u>	<u>3,055,329</u>
NET CHANGE IN FUND BALANCES	(184,289)	(47,585)	72,085	1,740,432	1,580,643
Fund Balances - Beginning of Year	2,530,173	29,314	99,916	3,981,097	6,640,500
FUND BALANCES - END OF YEAR	<u>\$ 2,345,884</u>	<u>\$ (18,271)</u>	<u>\$ 172,001</u>	<u>\$ 5,721,529</u>	<u>\$ 8,221,143</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ 1,580,643

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

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

Capital Assets Reported as Expenditures in Governmental Fund Statements	3,123,872
Depreciation and Amortization Expense Reported in the Statement of Activities	(1,650,075)
Net Book Value of Disposals	(368,299)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned: (108,501)

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

Long-Term Debt Issued	(2,305,000)
Lease Liability Issued	(105,182)
Premium on Debt Issued	(88,474)
Principal Repaid	2,060,740
Lease Liability Principal Repaid	34,823

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

Accrued Interest on Long-Term Debt	(36,786)
Amortization of Premiums	161,808
Compensated Absences	13,152
Net Pension Liability (Asset)	1,131,620
Deferred Outflows of Resources Related to Pensions	3,339,773
Deferred Inflows of Resources Related to Pensions	(3,300,158)
Other Postemployment Benefits Liability	325,114
Deferred Outflows of Resources Related to Other Postemployment Benefits	(72,754)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(250,163)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (8,468)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities \$ 3,477,685

See accompanying Notes to Basic Financial Statements.

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 2,250,520	\$ 2,250,520	\$ 2,247,151	\$ (3,369)
Special Assessments	169,000	169,000	141,304	(27,696)
Intergovernmental	4,587,696	4,587,696	4,590,912	3,216
Licenses and Permits	289,800	289,800	285,956	(3,844)
Fines and Forfeits	98,900	98,900	78,185	(20,715)
Public Charges for Services	1,433,500	1,433,500	1,234,214	(199,286)
Intergovernmental Charges for Services	142,500	142,500	146,842	4,342
Interdepartmental Charges for Services	575,000	575,000	471,808	(103,192)
Miscellaneous	190,000	190,000	277,610	87,610
Total Revenues	9,736,916	9,736,916	9,473,982	(262,934)
EXPENDITURES				
Current:				
General Government	1,226,153	1,226,153	1,171,055	55,098
Public Safety	6,033,760	6,033,760	6,150,004	(116,244)
Public Works	1,688,092	1,688,092	1,567,885	120,207
Health and Human Services	358,235	358,235	325,420	32,815
Culture and Recreation	1,186,936	1,186,936	1,150,482	36,454
Total Expenditures	10,493,176	10,493,176	10,364,846	128,330
DEFICIT OF REVENUES UNDER EXPENDITURES	(756,260)	(756,260)	(890,864)	(134,604)
OTHER FINANCING SOURCES (USES)				
Proceeds From Sale of Capital Assets	60,000	60,000	23,770	(36,230)
Transfers In	1,029,000	1,029,000	1,041,789	12,789
Transfers Out	(332,740)	(332,740)	(358,984)	(26,244)
Total Other Financing Sources (Uses)	756,260	756,260	706,575	(49,685)
NET CHANGE IN FUND BALANCE	-	-	(184,289)	(184,289)
Fund Balance - Beginning of Year	2,530,173	2,530,173	2,530,173	-
FUND BALANCE - END OF YEAR	\$ 2,530,173	\$ 2,530,173	\$ 2,345,884	\$ (184,289)

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – HOUSING REVOLVING LOANS SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Miscellaneous	\$ 60,000	\$ 60,000	\$ 100,924	\$ 40,924
EXPENDITURES				
Current:				
Conservation and Development	57,500	57,500	28,839	28,661
NET CHANGE IN FUND BALANCE	2,500	2,500	72,085	69,585
Fund Balance - Beginning of Year	99,916	99,916	99,916	-
FUND BALANCE - END OF YEAR	\$ 102,416	\$ 102,416	\$ 172,001	\$ 69,585

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
ASSETS			
Current Assets:			
Cash and Investments	\$ 613,038	\$ -	\$ -
Receivables:			
Taxes and Special Charges	-	55,942	163,988
Customer Accounts	1,518,893	428,359	422,467
Special Assessments	-	38,182	39,529
Other	133,172	-	27,980
Due from Other Funds	-	-	-
Due from Other Governments	-	-	600,703
Prepaid Items	234,116	158,093	-
Total Current Assets	2,499,219	680,576	1,254,667
Restricted Assets:			
Cash and Investments	-	284,924	1,176,392
Other Assets:			
Net Pension Asset	432,052	250,829	213,972
Capital Assets:			
Nondepreciable / Nonamortizable	25,593	535,972	1,148,887
Depreciable / Amortizable, Net	8,571,326	13,682,208	17,224,271
Total Capital Assets	8,596,919	14,218,180	18,373,158
Total Assets	11,528,190	15,434,509	21,018,189
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	841,602	490,346	419,268
Other Postemployment Benefit Related Amounts	114,221	66,953	61,911
Total Deferred Outflows of Resources	955,823	557,299	481,179

See accompanying Notes to Basic Financial Statements.

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

	Enterprise Funds		Total	Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds		Health Insurance
ASSETS				
Current Assets:				
Cash and Investments	\$ 961,878	\$ 221,631	\$ 1,796,547	\$ 36,296
Receivables:				
Taxes and Special Charges	25,515	1,684	247,129	-
Customer Accounts	87,821	-	2,457,540	-
Special Assessments	150,903	-	228,614	-
Other	-	66,617	227,769	-
Due from Other Funds	118,389	-	118,389	-
Due from Other Governments	-	-	600,703	-
Prepaid Items	-	-	392,209	-
Total Current Assets	1,344,506	289,932	6,068,900	36,296
Restricted Assets:				
Cash and Investments	21,141	-	1,482,457	-
Other Assets:				
Net Pension Asset	-	35,517	932,370	-
Capital Assets:				
Nondepreciable / Nonamortizable	1,266,467	-	2,976,919	-
Depreciable / Amortizable, Net	5,363,034	25,005	44,865,844	-
Total Capital Assets	6,629,501	25,005	47,842,763	-
Total Assets	7,995,148	350,454	56,326,490	36,296
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	-	69,008	1,820,224	-
Other Postemployment Benefit Related Amounts	-	10,460	253,545	-
Total Deferred Outflows of Resources	-	79,468	2,073,769	-

See accompanying Notes to Basic Financial Statements.

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

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 722,021	\$ 21,213	\$ 371,319
Accrued and Other Current Liabilities	25,610	14,001	11,347
Due to Other Funds	-	1,810,258	216,029
Accrued Interest Payable	8,896	29,059	42,506
Special Deposits	97,773	-	-
Current Portion of Long-Term Debt	-	209,641	205,007
Current Portion of Lease Liability	10,074	14,726	74,063
Current Portion of Other Postemployment Benefits	28,127	16,654	14,006
Payable from Restricted Assets:			
Current Portion of Long-Term Debt	33,124	448,496	752,432
 Total Current Liabilities	 925,625	 2,564,048	 1,686,709
Long-Term Obligations, Less Current Portion:			
General Obligation Debt	-	985,841	534,998
Revenue Bonds	146,268	3,025,386	8,437,634
Debt Premium	-	32,583	25,273
Lease Liability	49,292	27,639	78,502
Compensated Absences	67,215	32,919	6,758
Other Postemployment Benefits	512,701	306,087	277,303
 Total Long-Term Liabilities	 775,476	 4,410,455	 9,360,468
 Total Liabilities	 1,701,101	 6,974,503	 11,047,177
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	1,017,557	590,744	503,940
Other Postemployment Benefit Related Amounts	38,795	22,825	21,001
 Total Deferred Inflows of Resources	 1,056,352	 613,569	 524,941
NET POSITION			
Net Investment in Capital Assets	8,358,161	9,473,868	7,917,151
Restricted:			
Capital Assets	-	-	1,176,392
Debt Service	-	284,924	-
Pension Benefits	432,052	250,829	213,972
Unrestricted	936,347	(1,605,885)	619,735
 Total Net Position	 \$ 9,726,560	 \$ 8,403,736	 \$ 9,927,250

See accompanying Notes to Basic Financial Statements.

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

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 54,123	\$ 471	\$ 1,169,147	\$ -
Accrued and Other Current Liabilities	242	549	51,749	-
Due to Other Funds	-	-	2,026,287	-
Accrued Interest Payable	40,858	314	121,633	-
Special Deposits	-	-	97,773	-
Current Portion of Long-Term Debt	78,273	-	492,921	-
Current Portion of Lease Liability	-	-	98,863	-
Current Portion of Other Postemployment Benefits	-	-	58,787	-
Payable from Restricted Assets:				
Current Portion of Long-Term Debt	76,213	1,722	1,311,987	-
Total Current Liabilities	249,709	3,056	5,429,147	-
Long-Term Obligations, Less Current Portion:				
General Obligation Debt	524,282	-	2,045,121	-
Revenue Bonds	1,324,633	7,604	12,941,525	-
Debt Premium	-	-	57,856	-
Lease Liability	-	-	155,433	-
Compensated Absences	-	-	106,892	-
Other Postemployment Benefits	-	46,424	1,142,515	-
Total Long-Term Liabilities	1,848,915	54,028	16,449,342	-
Total Liabilities	2,098,624	57,084	21,878,489	-
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	-	83,648	2,195,889	-
Other Postemployment Benefit Related Amounts	-	3,507	86,128	-
Total Deferred Inflows of Resources	-	87,155	2,282,017	-
NET POSITION				
Net Investment in Capital Assets	4,575,811	25,005	30,349,996	-
Restricted:				
Capital Assets	21,141	-	1,197,533	-
Debt Service	-	-	284,924	-
Pension Benefits	-	35,517	932,370	-
Unrestricted	1,299,572	225,161	1,474,930	36,296
Total Net Position	\$ 5,896,524	\$ 285,683	\$ 34,239,753	\$ 36,296

See accompanying Notes to Basic Financial Statements.

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

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
OPERATING REVENUES			
Charges for Services	\$ 10,079,125	\$ 2,885,005	\$ 2,813,554
Other	159,979	31,768	101,014
Total Operating Revenues	<u>10,239,104</u>	<u>2,916,773</u>	<u>2,914,568</u>
OPERATING EXPENSES			
Operation and Maintenance	8,844,493	1,681,960	1,613,948
Depreciation	461,775	532,385	806,555
Taxes	81,908	47,829	37,784
Total Operating Expenses	<u>9,388,176</u>	<u>2,262,174</u>	<u>2,458,287</u>
OPERATING INCOME (LOSS)	850,928	654,599	456,281
NONOPERATING REVENUES (EXPENSES)			
Interest Income	-	-	-
Nonoperating Grants	-	281,285	229,108
Interest and Fiscal Charges	(22,628)	(135,593)	(206,845)
Other Nonoperating Revenues (Expenses)	(24,062)	(148)	-
Total Nonoperating Revenues (Expenses)	<u>(46,690)</u>	<u>145,544</u>	<u>22,263</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	804,238	800,143	478,544
Capital Contributions	23,774	313,148	179,695
Transfers In	-	82,890	59,286
Transfers Out	<u>(232,428)</u>	<u>(249,326)</u>	<u>(364,080)</u>
CHANGE IN NET POSITION	595,584	946,855	353,445
Net Position - Beginning of Year	<u>9,130,976</u>	<u>7,456,881</u>	<u>9,573,805</u>
NET POSITION - END OF YEAR	<u><u>\$ 9,726,560</u></u>	<u><u>\$ 8,403,736</u></u>	<u><u>\$ 9,927,250</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Enterprise Funds		Totals	Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds		Health Insurance
OPERATING REVENUES				
Charges for Services	\$ 657,169	\$ 498,714	\$ 16,933,567	\$ 262,141
Other	-	235,196	527,957	-
Total Operating Revenues	657,169	733,910	17,461,524	262,141
OPERATING EXPENSES				
Operation and Maintenance	239,858	775,456	13,155,715	603,772
Depreciation	107,236	9,641	1,917,592	-
Taxes	-	-	167,521	-
Total Operating Expenses	347,094	785,097	15,240,828	603,772
OPERATING INCOME (LOSS)	310,075	(51,187)	2,220,696	(341,631)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	3,723	-	3,723	-
Nonoperating Grants	189,093	81,988	781,474	-
Interest and Fiscal Charges	(64,320)	(354)	(429,740)	-
Other Nonoperating Revenues (Expenses)	-	15,885	(8,325)	-
Total Nonoperating Revenues (Expenses)	128,496	97,519	347,132	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	438,571	46,332	2,567,828	(341,631)
Capital Contributions	58,081	-	574,698	-
Transfers In	-	-	142,176	333,163
Transfers Out	-	(1,440)	(847,274)	-
CHANGE IN NET POSITION	496,652	44,892	2,437,428	(8,468)
Net Position - Beginning of Year	5,399,872	240,791	31,802,325	44,764
NET POSITION - END OF YEAR	\$ 5,896,524	\$ 285,683	\$ 34,239,753	\$ 36,296

See accompanying Notes to Basic Financial Statements.

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

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 10,020,145	\$ 2,837,742	\$ 2,705,175
Cash Received from Other Departments	-	-	-
Cash Received from Rent	-	-	-
Cash Paid for Employee Wages And Benefits	(916,113)	(764,635)	(1,202,679)
Cash Paid to Suppliers	(8,001,908)	(1,138,573)	(527,223)
Net Cash Provided (Used) by Operating Activities	1,102,124	934,534	975,273
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Special Assessments	-	36,950	184,063
Nonoperating Grants	-	281,285	229,108
Due to/from Other Funds	-	(24,183)	150,682
Transfer In (Out)	(232,428)	(166,436)	(304,794)
Net Cash Provided (Used) by Noncapital Financing Activities	(232,428)	127,616	259,059
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(443,160)	(695,808)	(729,834)
Cost of Removal of Capital Assets	(99,082)	-	-
Capital Contributions	-	10,879	179,695
Sale of Capital Assets	(6,437)	20	-
Long-Term Debt Issued	26,764	334,980	534,585
Principal Paid on Long-Term Debt	(53,245)	(630,146)	(996,078)
Interest Paid on Long-Term Debt	(23,642)	(150,701)	(222,700)
Net Cash Provided (Used) by Capital and Related Financing Activities	(598,802)	(1,130,776)	(1,234,332)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	-	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	270,894	(68,626)	-
Cash and Cash Equivalents - Beginning of Year	342,144	353,550	1,176,392
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 613,038	\$ 284,924	\$ 1,176,392

See accompanying Notes to Basic Financial Statements.

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

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 642,270	\$ 732,728	\$ 16,938,060	\$ -
Cash Received from Other Departments	-	-	-	262,141
Cash Received from Rent	-	15,885	15,885	-
Cash Paid for Employee Wages And Benefits	(12,299)	(115,390)	(3,011,116)	-
Cash Paid to Suppliers	(228,409)	(684,200)	(10,580,313)	(604,832)
Net Cash Provided (Used) by Operating Activities	401,562	(50,977)	3,362,516	(342,691)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Special Assessments	5,443	-	226,456	-
Nonoperating Grants	189,093	81,988	781,474	-
Due to/from Other Funds	2,916	-	129,415	-
Transfer In (Out)	-	(1,440)	(705,098)	333,163
Net Cash Provided (Used) by Noncapital Financing Activities	197,452	80,548	432,247	333,163
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(755,534)	-	(2,624,336)	-
Cost of Removal of Capital Assets	-	-	(99,082)	-
Capital Contributions	-	-	190,574	-
Sale of Capital Assets	-	-	(6,417)	-
Long-Term Debt Issued	441,217	-	1,337,546	-
Principal Paid on Long-Term Debt	(129,416)	(1,656)	(1,810,541)	-
Interest Paid on Long-Term Debt	(69,009)	(439)	(466,491)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(512,742)	(2,095)	(3,478,747)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	3,723	-	3,723	-
CHANGE IN CASH AND CASH EQUIVALENTS	89,995	27,476	319,739	(9,528)
Cash and Cash Equivalents - Beginning of Year	893,024	194,155	2,959,265	45,824
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 983,019	\$ 221,631	\$ 3,279,004	\$ 36,296

See accompanying Notes to Basic Financial Statements.

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

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 850,928	\$ 654,599	\$ 456,281
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	461,775	532,385	806,555
Depreciation Charged to Operating Accounts	86,720	50,230	-
Other	(24,062)	(148)	-
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:			
Net Pension Asset	(85,213)	(58,866)	(48,522)
Deferred Outflows - Pension Related	(268,636)	(170,828)	(144,648)
Deferred Inflows - Pension Related	257,529	170,094	141,388
Deferred Outflows - OPEB Related	10,436	7,358	(1,088)
OPEB Liability	(43,479)	(24,499)	3,409
Deferred Inflows - OPEB Related	20,358	11,675	12,320
Change in Operating Assets and Liabilities:			
Accounts Receivable	(235,461)	(78,883)	(212,886)
Due from Other Governments	-	-	3,493
Prepaid Items	19,759	(25,095)	-
Accounts Payable	33,353	(139,961)	(43,936)
Accrued and Other Current Liabilities	8,149	3,105	2,186
Special Deposits	16,502	-	-
Compensated Absences	(6,534)	3,368	721
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,102,124</u>	<u>\$ 934,534</u>	<u>\$ 975,273</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and Cash Equivalents in Current Assets	\$ 613,038	\$ -	\$ -
Cash and Cash Equivalents in Restricted Assets	-	284,924	1,176,392
Total Cash and Cash Equivalents	<u>\$ 613,038</u>	<u>\$ 284,924</u>	<u>\$ 1,176,392</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Contributed	<u>\$ 23,774</u>	<u>\$ 302,269</u>	<u>\$ -</u>
Capital Related Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,098</u>

See accompanying Notes to Basic Financial Statements.

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

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 310,075	\$ (51,187)	\$ 2,220,696	\$ (341,631)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	107,236	9,641	1,917,592	-
Depreciation Charged to Operating Accounts	-	-	136,950	-
Other	-	15,885	(8,325)	-
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:				
Net Pension Asset	-	(9,360)	(201,961)	-
Deferred Outflows - Pension Related	-	(25,481)	(609,593)	-
Deferred Inflows - Pension Related	-	26,330	595,341	-
Deferred Outflows - OPEB Related	-	(77)	16,629	-
OPEB Liability	-	(1,438)	(66,007)	-
Deferred Inflows - OPEB Related	-	1,898	46,251	-
Change in Operating Assets and Liabilities:				
Accounts Receivable	(14,899)	(1,182)	(543,311)	-
Due from Other Governments	-	-	3,493	-
Prepaid Items	-	-	(5,336)	-
Accounts Payable	(1,049)	(16,006)	(167,599)	(1,060)
Accrued and Other Current Liabilities	199	-	13,639	-
Special Deposits	-	-	16,502	-
Compensated Absences	-	-	(2,445)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 401,562</u>	<u>\$ (50,977)</u>	<u>\$ 3,362,516</u>	<u>\$ (342,691)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Cash Equivalents in Current Assets	\$ 961,878	\$ 221,631	\$ 1,796,547	\$ 36,296
Cash and Cash Equivalents in Restricted Assets	21,141	-	1,482,457	-
Total Cash and Cash Equivalents	<u>\$ 983,019</u>	<u>\$ 221,631</u>	<u>\$ 3,279,004</u>	<u>\$ 36,296</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Contributed	<u>\$ 58,081</u>	<u>\$ -</u>	<u>\$ 384,124</u>	<u>\$ -</u>
Capital Related Accounts Payable	<u>\$ 50,289</u>	<u>\$ -</u>	<u>\$ 398,387</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022

ASSETS	
Cash and Investments	\$ 3,618,728
Receivables:	
Taxes	<u>4,174,265</u>
Total Assets	<u>7,792,993</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	<u>7,624,287</u>
NET POSITION	
Restricted	<u><u>\$ 168,706</u></u>

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2022

ADDITIONS	
Interest on Investments	\$ 4,225
Taxes and Special Charges Collected	<u>7,758,654</u>
Total Additions	<u>7,762,879</u>
DEDUCTIONS	
Payments to Others	<u>7,761,036</u>
CHANGE IN NET POSITION	1,843
Net Position - Beginning of Year	<u>166,863</u>
NET POSITION - END OF YEAR	<u><u>\$ 168,706</u></u>

See accompanying Notes to Basic Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City is a municipal corporation governed by an elected nine-member council. In accordance with U.S. GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The City reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Housing Revolving Loans Fund

This special revenue fund accounts for loans made for housing programs. Additional loans are made as previous loans are repaid.

The City reports the following major enterprise funds:

Electric Utility Enterprise Fund

The electric utility enterprise fund accounts for the provision of electric service to City residents, businesses, and public authorities.

Water Utility Enterprise Fund

The water utility enterprise fund accounts for the provision of water service to City residents, businesses, and public authorities.

Sewer Utility Enterprise Fund

The sewer utility enterprise fund accounts for the provision of wastewater collection and treatment for City residents, businesses, and public authorities.

Stormwater Utility Enterprise Fund

The stormwater utility enterprise fund accounts for the provision of stormwater collection and management for City residents, businesses, and public authorities.

The City also reports the following fiduciary funds which are all custodial funds that hold assets on behalf of individuals or other government agencies:

Property Tax Collection

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

Smongeski Health

The fund is used to account for resources held for assisting low-income individuals in paying for the cost of eyeglasses.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Crime Prevention

The fund is used to account for resources held for others which have been dedicated to crime prevention.

TRIAD Committee

The fund is used to account for resources held for others which have been dedicated to policing initiatives between seniors, law enforcement, and service providers of the community to increase safety through education and crime prevention.

Additionally, the City reports the following fund types:

- *Internal Service Fund* – accounts for health insurance services provided to other departments of the City on a cost reimbursement basis.

C. Measurement Focus and Basis of Accounting

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

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

1. Cash and Investments

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

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, March 31, and July 31. Real estate taxes not paid by July 31 are purchased by the county as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also levies and collects taxes for the Two Rivers School District, Manitowoc School District, Manitowoc County, and Lakeshore Technical College. Collections and remittances of taxes for other entities are accounted for in the general fund.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2021 tax roll are recognized as revenue in 2022).

5. Loans Receivable

The housing, business, and industrial revolving loans represent various loans to City homeowners and local businesses that were originally financed from economic development grants received by the City from the Wisconsin Department of Administration. The housing revolving loans will be repaid to the City when the property is no longer the loan recipient's principal place of residence, while business and industrial revolving loans are being repaid to the City in installments at various rates.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Loans Receivable (Continued)

Principal and interest repayments are used to finance additional development loans. The industrial park loans receivable represents various sales of industrial park land that are being paid to the City, including interest, on the installment basis.

6. Leases

Lessor

The City determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivable represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The City recognizes payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Leases (Continued)

Lessee

The City is a lessee for noncancellable leases of vehicles and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statements of net position.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as Due from Other Funds and Due to Other Funds in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

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

8. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefitted.

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

9. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Capital assets are capitalized and reported at cost or estimated historical cost except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1.D.6. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Donated capital assets are recorded at estimated acquisition value at the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with the tangible assets in the appropriate capital asset class.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Capital Assets (Continued)

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, infrastructure assets, and right-to-use lease assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-Type Activities
Buildings	7 to 75 Years	25 to 50 Years
Improvements Other than Buildings	10 to 75 Years	25 to 100 Years
Machinery and Equipment	3 to 25 Years	3 to 10 Years
Infrastructure	35 to 75 Years	-
Right-to-Use Lease Assets	3 to 10 Years	3 to 10 Years

10. Compensated Absences

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

11. Deferred Outflows/Inflows of Resources

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

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

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Long-Term Obligations

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

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

13. Pensions

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

14. Other Postemployment Benefits Other than Pensions (OPEB)

Local Retiree Life Insurance Fund

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

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Other Postemployment Benefits Other than Pensions (OPEB) (Continued)

Single-Employer Defined Postemployment Benefit Plan

The City's OPEB Plan is a single employer defined benefit plan that provides eligible retirees access to group medical and dental benefits. For purposes of measuring the OPEB liability, related deferred outflows and inflows, and OPEB expense, the City has used values provided by their actuary.

15. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to this plan are entirely from employee voluntary contributions. The City makes no employer contributions to this plan.

16. Fund Equity

Governmental Fund Financial Statements

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

- *Nonspendable Fund Balance* – amounts that are not in spendable form (such as prepaid items or long-term receivables) or are legally or contractually required to remain intact.
- *Restricted Fund Balance* – amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- *Committed Fund Balance* – amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- *Assigned Fund Balance* – amounts that are constrained for specific purposes by action of City management. The City Council has authorized the City Manager and the Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

16. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

- *Unassigned Fund Balance* – amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

Government-Wide and Proprietary Fund Statements

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

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

E. Use of Estimates

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

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Adoption of New Accounting Standards

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

The City adopted the requirements of the guidance effective January 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

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

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

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services. All outstanding encumbrances lapse at year-end.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2022.

B. Excess of Expenditures Over Budget Appropriations

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

	<u>Excess Expenditures</u>
General Fund:	
General Government:	
Judicial	\$ 1,498
City Hall	11,041
Uncollectible Taxes and Refunds	2,564
Public Safety:	
Police and Fire Commission	227
Police Department	57,673
Fire Department	91,994
Inspection	1,380
Public Works:	
Work Done for Others	66,016
Culture and Recreation:	
Special Events	8,345
Recreation Fields	8,021

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Equity

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

	Deficit Fund Balance
Debt Service	\$ 18,271
Senior Center	14,347
Park and Cemetery Construction	57,887
Fire Equipment	29,555
City Hall Equipment	8,095
Management Information	18,732
Police Equipment	75,064
TIF District No. 6	176,176
TIF District No. 10	162,899
TIF District No. 13	15,903
TIF District No. 14	2,681
TIF District No. 15	6,817
TIF District No. 16	5,571
TIF District No. 17	1,030

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

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2022 and 2023 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2022 budget was 1.006%. The actual limit for the City for the 2023 budget was 0.766%. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

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

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

The carrying amount of the City's cash and investments totaled \$16,970,398 on December 31, 2022, as summarized below:

Petty Cash and Cash on Hand	\$	397
Deposits with Financial Institutions		7,845,383
Investments:		
Wisconsin Local Government Investment Pool		8,161,966
Mutual Funds		83,658
Certificates of Deposit		878,994
Total		\$ 16,970,398

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	11,869,213
Restricted Cash and Investments		1,482,457
Fiduciary Fund Statement of Net Position:		
Cash and Investments		3,618,728
Total		\$ 16,970,398

Fair Value Measurements

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

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Mutual Funds	\$ -	\$ 83,658	\$ -
Certificates of Deposit	-	878,994	-
	\$ -	\$ 962,652	\$ -

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements (Continued)

The valuation method for the fair value measurements of the mutual funds is based on institutional quotes with evaluations based on various market and industry inputs.

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

Custodial Credit Risk

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

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

As of December 31, 2022, \$4,847,430 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk

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

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Mutual Funds	\$ 83,658	\$ -	\$ -	\$ -	\$ 83,658
Certificates of Deposit	878,994	-	-	-	878,994
Wisconsin Local Government Investment Pool	8,161,966	-	-	-	8,161,966
Totals	<u>\$ 9,124,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,124,618</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
Mutual Funds	\$ 83,658	\$ 83,658	\$ -	\$ -	\$ -
Certificates of Deposit	878,994	628,994	250,000	-	-
Wisconsin Local Government Investment Pool	8,161,966	8,161,966	-	-	-
Totals	<u>\$ 9,124,618</u>	<u>\$ 8,874,618</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool (LGIP) of \$8,161,966 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the state of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

B. Restricted Assets

Restricted assets on December 31, 2022, totaled \$1,482,457 and consisted of cash and investments held for the following purposes:

<u>Funds</u>	<u>Amount</u>	<u>Purpose</u>
Enterprise Fund		
Water Utility	\$ 284,924	Debt Reserve Fund
Sewer Utility	1,176,392	Equipment Replacement Fund
Stormwater Utility	21,141	Stormwater Pond Maintenance
Total	\$ 1,482,457	

C. Lease Receivables

During the year ended December 31, 2022, the City recognized lease revenue and interest revenue in the governmental activities of \$54,417 and \$6,581, respectively, pursuant to these contracts. A summary of the City's lease terms and interest rates is as follows:

Governmental Activities

Cell Tower Leases. Monthly installments ranging from \$500 to \$1,263 plus interest at 4.00%, termination dates ranging from 2024 to 2025. Yearly installments ranging from \$45,575 to \$51,266 plus interest at 4.00%, termination date through 2026.

Office Space Lease. Monthly installments ranging from \$188 to 191 plus interest at 4.00%, termination date through 2024.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 61,700	\$ 7,086	\$ 68,786
2024	53,607	4,727	58,334
2025	47,007	2,787	49,794
2026	50,421	846	51,267
Total	\$ 212,735	\$ 15,446	\$ 228,181

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

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

	Balance Beginning of Year, Restated (1)	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable/Nonamortizable:				
Land	\$ 1,224,477	\$ -	\$ 320,600	\$ 903,877
Construction in Progress	799,745	513,495	799,745	513,495
Total Capital Assets, Nondepreciable/ Nonamortizable	2,024,222	513,495	1,120,345	1,417,372
Capital Assets, Being Depreciated and Amortized:				
Buildings	15,117,628	-	-	15,117,628
Improvements Other than Buildings	3,895,773	238,847	-	4,134,620
Machinery and Equipment	11,394,305	1,727,288	696,820	12,424,773
Infrastructure	36,675,538	1,333,445	231,218	37,777,765
Right to Use Lease Assets - Machinery and Equipment	116,269	105,182	-	221,451
Subtotals	67,199,513	3,404,762	928,038	69,676,237
Less Accumulated Depreciation and Amortization for:				
Buildings	7,104,657	320,835	-	7,425,492
Improvements Other than Buildings	535,335	91,218	-	626,553
Machinery and Equipment	7,355,433	572,370	649,121	7,278,682
Infrastructure	24,005,147	627,973	231,218	24,401,902
Right to Use Leases Assets - Machinery and Equipment	-	37,679	-	37,679
Subtotals	39,000,572	1,650,075	880,339	39,770,308
Less: Accumulated Depreciation and Amortization	39,000,572	1,650,075	880,339	39,770,308
Total Capital Assets, Depreciable / Amortizable, Net	28,198,941	1,754,687	47,699	29,905,929
Governmental Activities Capital Assets, Net	\$ 30,223,163	\$ 2,268,182	\$ 1,168,044	31,323,301
Less: Capital Related Debt				13,820,376
Add: Unspent Debt Proceeds				1,176,567
Less: Debt Premium				627,963
Less: Capital Related Accounts Payable				380,116
Net Investment in Capital Assets				\$ 17,671,413

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

	Beginning Balance of Year, Restated	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable/Nonamortizable:				
Land	\$ 36,944	\$ -	\$ -	\$ 36,944
Construction in Progress	3,301,240	1,971,021	2,332,286	2,939,975
Total Capital Assets, Nondepreciable/Amortizable	3,338,184	1,971,021	2,332,286	2,976,919
Capital Assets, Being Depreciated and Amortized:				
Buildings	8,457,205	3,701	-	8,460,906
Improvements Other than Buildings	43,131,553	3,561,137	729,824	45,962,866
Machinery and Equipment	20,303,406	252,885	98,636	20,457,655
Right to Use Lease Assets - Machinery and Equipment	74,244	45,720	-	119,964
Subtotals	71,966,408	3,863,443	828,460	75,001,391
Less:				
Accumulated Depreciation and Amortization	29,006,695	2,060,922	932,070	30,135,547
Total Capital Assets, Depreciable/Amortizable, Net	42,959,713	1,802,521	(103,610)	44,865,844
Business-Type Activities Capital Assets, Net	\$ 46,297,897	\$ 3,773,542	\$ 2,228,676	47,842,763
Less: Capital Related Debt and Related Net Deferrals				16,765,383
Less: Debt Premium				74,701
Less: Lease Liability				254,296
Less: Capital Related Accounts Payable				398,387
Net Investment in Capital Assets				\$ 30,349,996

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

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 114,862
Public Safety	288,011
Public Works	877,769
Culture and Recreation	<u>369,433</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 1,650,075</u>
Business-Type Activities:	
Electric Utility	\$ 461,775
Water Utility	532,385
Sewer Utility	806,555
Telecommunication Utility	107,236
Stormwater Utility	<u>9,641</u>
Total Depreciation and Amortization Expense	<u>1,917,592</u>
Depreciation Charged to Operating Accounts	<u>143,330</u>
Total Increase in Accumulated Depreciation and Amortization - Business-Type Activities	<u>\$ 2,060,922</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers

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

	Interfund Receivables	Interfund Payables
Long Term Cash Advances to Finance		
Operating Deficits:		
Governmental Funds:		
General	\$ 1,819,865	\$ -
Nonmajor Governmental Funds:		
Senior Center	-	11,639
Park and Cemetery Construction	-	54,105
Fire Equipment	-	29,295
City Hall Equipment	-	8,095
Management Information	-	11,271
Police Equipment	-	118,389
TIF District No. 6	-	165,705
TIF District No. 7	662,060	-
TIF District No. 10	-	157,988
TIF District No. 13	-	4,527
TIF District No. 14	-	108
TIF District No. 15	-	6,685
TIF District No. 16	-	5,190
TIF District No. 17	-	1,030
Subtotal - Nonmajor Governmental Funds	662,060	574,027
Proprietary Funds:		
Water Utility	-	1,810,258
Sewer Utility	-	216,029
Stormwater Utility	118,389	-
Subtotal - Proprietary Funds	118,389	2,026,287
Totals	\$ 2,600,314	\$ 2,600,314

The outstanding balances between funds result mainly from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers (Continued)

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

Fund	Transfer In	Transfer Out
Governmental Funds:		
General	\$ 1,041,789	\$ 358,984
Debt Service	165,963	47,916
Nonmajor Governmental Funds:		
Library	-	1,440
Library Gift	-	20,000
Community Tourism	218,016	276,537
Urban Forestry	19,500	-
Tree Planting	-	19,500
Business and Industrial Revolving Loans	-	103,000
Sandy Bay Highlands	-	98,234
Affordable Housing	49,647	-
Community Development	175,000	-
Street Construction	-	14,000
Park and Cemetery Construction	28,000	355,715
Public Works Equipment	-	14,000
Management Information	52,000	-
Police Equipment	47,916	-
TIF District No. 4	-	49,647
TIF District No. 7	-	72,149
TIF District No. 8	4,500	166,836
TIF District No. 10	-	22,850
TIF District No. 12	-	30,803
Industrial Park Development	-	150,000
Central Park Renovation	351,215	-
Library Building and Grounds	20,000	-
Subtotal - Nonmajor Governmental Funds	965,794	1,394,711
Proprietary Funds:		
Electric Utility	-	232,428
Water Utility	82,890	249,326
Sewer Utility	59,286	364,080
Nonmajor Proprietary Fund:		
Solid Waste	-	1,440
Internal Service Fund - Health Insurance	333,163	-
Government-Wide		
Total	\$ 2,648,885	\$ 2,648,885

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers (Continued)

Transfers are used to: (a) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (b) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (c) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

F. Long-Term Obligations

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

	Beginning of Year, Restated (1)	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 5,245,000	\$ -	\$ 350,000	\$ 4,895,000	\$ 430,000
Notes	8,870,000	2,305,000	1,385,000	9,790,000	1,385,000
Direct Borrowings	1,439,731	-	325,740	1,113,991	327,756
Total General					
Obligation Debt	15,554,731	2,305,000	2,060,740	15,798,991	2,142,756
Debt Premium	701,297	88,474	161,808	627,963	155,856
Lease Liability	116,269	105,182	34,823	186,628	44,042
Compensated Absences	219,437	-	13,152	206,285	-
Governmental Activities Long- Term Obligations	\$ 16,591,734	\$ 2,498,656	\$ 2,270,523	\$ 16,819,867	\$ 2,342,654
Business-Type Activities:					
General Obligation Debt:					
Bonds	\$ 1,675,000	\$ -	\$ 165,000	\$ 1,510,000	\$ 170,000
Notes	75,000	-	15,000	60,000	15,000
Direct Borrowings	1,235,724	-	284,527	951,197	291,076
Total General					
Obligation Debt	2,985,724	-	464,527	2,521,197	476,076
Revenue Bonds	14,201,006	1,291,826	1,239,320	14,253,512	1,311,987
Debt Premium	93,460	-	18,759	74,701	16,845
Financed Purchase	217,977	-	69,898	148,079	72,624
Lease Liability	97,293	45,720	36,796	106,217	26,239
Compensated Absences	109,337	-	2,445	106,892	-
Business-Type Activities Long- Term Obligations	\$ 17,704,797	\$ 1,337,546	\$ 1,831,745	\$ 17,210,598	\$ 1,903,771

Total interest paid during the year on long-term debt totaled \$1,077,929.

State Trust Fund Loan

The City's outstanding notes from direct borrowings related to the governmental activities of \$1,097,700 and business type activities of \$187,025 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Clean Water Fund Loan Programs

The City's outstanding notes from direct borrowings related to business type activities of \$759,021 contain the following provisions in the event of a default: (1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; (2) may appoint a receiver for the program's benefit; (3) may declare the principal amount immediately due and payable; (4) may enforce any right or obligation under the financing agreement including the right to see specific performance or mandamus; and (5) may increase the interest rate set forth in the financing agreement to the market interest rate.

WPPI Loan

The City's outstanding notes from direct borrowings related to the governmental activities of \$16,291 and business type activities of \$5,151 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance at December 31, 2022
Bonds:					
General Obligation Bond	07/08/19	2030	3.00% to 4.00%	\$ 1,610,000	\$ 1,235,000
General Obligation Bond	08/30/19	2034	3.00% to 4.00%	3,210,000	2,705,000
General Obligation Bond	04/20/20	2030	2.55	2,085,000	1,690,000
General Obligation Bond	06/07/21	2039	2.40% to 3.25%	775,000	775,000
Notes:					
General Obligation Note	07/08/19	2029	3.00% to 4.00%	1,785,000	1,435,000
General Obligation Note	04/20/20	2030	3.00	6,125,000	4,295,000
General Obligation Note	06/07/21	2031	2.00% to 3.00%	1,915,000	1,815,000
General Obligation Note	02/23/22	2041	3.00% to 4.00%	2,305,000	2,305,000
Direct Placement:					
State Trust Fund Bond	04/11/13	2023	2.75	1,162,358	129,828
WPPI Energy Note	2013	2023	0.00	129,080	5,163
WPPI Energy Note	2013	2023	0.00	14,076	469
WPPI Energy Note	2013	2023	0.00	46,827	4,682
Safe Drinking Water Bond	11/13/13	2029	3.15	487,054	226,127
Safe Drinking Water Bond	11/13/13	2029	3.15	824,459	376,428
State Trust Fund Bond	05/16/16	2024	3.00	1,941,374	153,646
WPPI Energy Note	08/01/16	2026	0.00	30,350	11,128
Safe Drinking Water Bond	12/31/16	2029	2.67	361,269	156,466
State Trust Fund Bond	07/23/19	2029	3.75	500,000	364,084
State Trust Fund Bond	03/26/20	2023	2.50	550,000	187,025
State Trust Fund Bond	04/16/20	2030	3.00	550,000	450,142
Total Outstanding General Obligation Debt					\$ 18,320,188

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$18,320,188 on December 31, 2022, are detailed below:

Year Ending December 31,	Governmental Activities					
	Bonds and Notes		Direct Placement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,815,000	\$ 480,382	\$ 327,756	\$ 35,336	\$ 2,142,756	\$ 515,718
2024	1,945,000	386,308	164,270	25,796	2,109,270	412,104
2025	1,880,000	324,798	106,747	20,527	1,986,747	345,325
2026	1,890,000	262,749	109,222	17,041	1,999,222	279,790
2027	1,415,000	207,248	110,803	13,436	1,525,803	220,684
2028 to 2032	5,360,000	413,053	295,193	17,456	5,655,193	430,509
2033 to 2037	260,000	53,600	-	-	260,000	53,600
2038 to 2039	120,000	3,900	-	-	120,000	3,900
Total	\$ 14,685,000	\$ 2,132,038	\$ 1,113,991	\$ 129,592	\$ 15,798,991	\$ 2,261,630

Year Ending December 31,	Business-Type Activities					
	Bonds and Notes		Direct Placement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 185,000	\$ 58,357	\$ 291,076	\$ 22,440	\$ 476,076	\$ 80,797
2024	190,000	51,105	101,918	15,258	291,918	66,363
2025	200,000	43,557	105,029	12,672	305,029	56,229
2026	210,000	35,599	108,235	10,004	318,235	45,603
2027	200,000	27,549	111,539	7,253	311,539	34,802
2028 to 2032	585,000	34,341	233,400	5,901	818,400	40,242
Total	\$ 1,570,000	\$ 250,508	\$ 951,197	\$ 73,528	\$ 2,521,197	\$ 324,036

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2022, was \$16,418,032 as follows:

Equalized Valuation of the City	\$ 694,764,400
Statutory Limitation Percentage	x 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	34,738,220
Net Outstanding General Obligation Debt Applicable to Debt Limitation	18,320,188
Legal Margin for New Debt	\$ 16,418,032

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2022, totaled \$14,253,512 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2022
Water Utility	11/8/2004	2023	2.37%	\$ 4,242,499	\$ 274,918
Sewer Utility	3/26/2008	2027	2.39	6,297,058	1,944,497
Water Utility	6/25/2014	2034	1.93	400,432	258,298
Sewer Utility	12/23/2014	2034	2.63	698,698	465,973
Water Utility	11/12/2014	2034	1.93	301,465	195,111
Water Utility	6/28/2017	2037	1.87	805,787	645,912
Electric, Sewer, and Solid Waste Utilities	3/20/2017	2027	4.00	400,000	219,440
Water Utility	6/13/2018	2038	1.87	709,297	597,151
Sewer Utility	2/28/2018	2037	1.76	794,500	651,943
Sewer Utility	10/24/2018	2038	1.87	4,059,972	3,422,044
Water Utility	6/26/2019	2039	1.98	504,014	477,866
Sewer Utility	11/27/2019	2039	1.65	1,710,844	1,565,115
Stormwater Utility	4/16/2020	2035	4.50	1,073,000	959,630
Water Utility	6/23/2021	2041	1.49	791,889	759,127
Sewer Utility	11/10/2021	2041	1.49	857,168	830,898
Stormwater Utility	2/23/2022	2041	1.49	441,217	441,217
Sewer Utility	9/28/2022	2041	2.15	265,498	265,498
Sewer Utility	12/14/2022	2041	2.15	278,874	278,874
Total Outstanding Revenue Bonds					\$ 14,253,512

Annual principal and interest maturities of the outstanding revenue bonds of \$14,253,512 on December 31, 2022, are detailed below:

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 1,311,987	\$ 285,822	\$ 1,597,809
2024	1,072,397	260,123	1,332,520
2025	1,096,781	235,493	1,332,274
2026	1,121,645	210,357	1,332,002
2027	1,147,132	184,591	1,331,723
2028 to 2032	3,685,348	672,906	4,358,254
2033 to 2037	3,620,260	274,916	3,895,176
2038 to 2041	1,197,962	30,509	1,228,471
Total	\$ 14,253,512	\$ 2,154,717	\$ 16,408,229

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Utility Revenues Pledged

The City has pledged future electric, water and sewer, and solid waste customer revenues, net of specified operating expenses, to repay the revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used by the utilities. The bonds are payable solely from customer net revenues and are payable through 2041. Net customer revenues, 2022 principal and interest paid, and outstanding debt service of revenue bonds are as follows:

	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility
Net Customer Revenues:				
Charges for Services	\$ 10,079,125	\$ 2,885,005	\$ 2,813,554	\$ 657,169
Other Income	159,979	31,768	101,014	-
Total Operating Revenues	10,239,104	2,916,773	2,914,568	657,169
Less: Operating Expenses *	8,926,401	1,729,789	1,651,732	239,858
Net Customer Revenues	\$ 1,312,703	\$ 1,186,984	\$ 1,262,836	\$ 417,311
Debt Service:				
Principal	\$ 31,850	\$ 426,869	\$ 725,412	\$ 53,533
Interest	7,176	62,876	178,400	45,592
Total Debt Service	\$ 39,026	\$ 489,745	\$ 903,812	\$ 99,125
Remaining Principal and Interest	\$ 194,323	\$ 3,977,580	\$ 10,431,309	\$ 1,794,915
Debt Service Coverage Requirement	125%	125%	125%	110%
Excess Coverage	\$ 1,263,921	\$ 574,803	\$ 133,071	\$ 308,274

* Excludes Depreciation Expense

As seen above, the City is in compliance with the required debt service coverage requirement.

Lease Liabilities

A summary of the City lease terms and interest rates is as follows:

Governmental Activities:

Vehicle leases. Monthly payments ranging from \$271 to \$530 including interest of 4% termination dates ranging from 2026 to 2027.

Business-Type Activities:

Vehicle leases. Monthly payments ranging from \$97 to \$505 including interest of 4% termination dates ranging from 2025 to 2027.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Lease Liabilities (Continued)

Certain leases provide for future minimum annual rental payments based on defined increases in the lease agreement.

Year Ending December 31,	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 44,042	\$ 6,495	\$ 26,239	\$ 9,442	\$ 70,281	\$ 15,937
2024	45,836	4,701	27,304	5,544	73,140	10,245
2025	47,703	2,833	28,413	1,494	76,116	4,327
2026	39,896	991	17,427	521	57,323	1,512
2027	9,151	76	6,834	86	15,985	162
Total	<u>\$ 186,628</u>	<u>\$ 15,096</u>	<u>\$ 106,217</u>	<u>\$ 17,087</u>	<u>\$ 292,845</u>	<u>\$ 32,183</u>

Financed Purchase

The City is required to make various yearly principal and interest payments. This lease has an interest rate of 3.90%. The equipment will have an estimated useful life of 3-10 years. No down payments were required for this lease agreement. The financed purchase lease expires in 2024.

The lease agreement qualifies as a financed purchase for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the date of their inception. The asset acquired through the financed purchase lease is a piece of equipment valued at \$350,000 with a current accumulated amortization of \$108,220 for a total value of \$241,780.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2022 were as follows:

Year Ending December 31,	Business-Type Activities		Total
	Principal	Interest	Principal
2023	\$ 72,624	\$ 1,494	\$ 74,118
2024	75,455	1,551	77,006
Total	<u>\$ 148,079</u>	<u>\$ 3,045</u>	<u>\$ 151,124</u>

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan

1. Plan Description

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

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

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

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

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

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

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

1. Plan Description (Continued)

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

The WRS also provides death and disability benefits for employees.

2. Postretirement Adjustments

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

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

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

3. Contributions

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

During the reporting period ending December 31, 2022, the WRS recognized \$868,733 in contributions from the City.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including Teachers, Executives, and Elected Officials)	6.50 %	6.50 %
Protective with Social Security	6.50	12.00
Protective without Social Security	6.50	16.40

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

At December 31, 2022, the City reported an asset of \$5,938,989 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the Pension Plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.07368305%, which was a decrease of 0.000008447% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension revenue of \$517,394.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 9,594,135	\$ 691,840
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	13,286,012
Changes in Assumptions	1,108,011	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	9,117	9,487
Employer Contributions Subsequent to the Measurement Date	868,733	-
Total	\$ 11,579,996	\$ 13,987,339

\$868,733 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability (asset) in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Expense
2023	\$ (279,003)
2024	(1,608,725)
2025	(707,932)
2026	(680,416)
Total	\$ (3,276,076)

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Valuation Date:	December 31, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	52.0 %	6.8 %	4.2 %
Fixed Income	25.0	4.3	1.8
Inflation Sensitive Assets	19.0	2.7	0.2
Real Estate	7.0	5.6	3.0
Private Equity/Debt	12.0	9.7	7.0
Cash	(15.0)	0.9	N/A
Total Core Fund	100.0 %	6.6%	4.0%
Variable Fund Asset Class:			
U.S. Equities	70.0 %	6.6%	4.1%
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0 %	7.1%	4.6%

New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.5%

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on Pension Plan investments of 6.8% and a municipal bond rate of 1.84% (Source: fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's *20-year Municipal GO AA Index* as of December 31, 2021. In describing the index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current Plan members.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,214,134	\$ (5,938,989)	\$ (13,247,349)

Pension Plan Fiduciary Net Position

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

6. Payables to the Pension Plan

At December 31, 2022, the City reported a payable of \$189,531 for the outstanding amount of contributions to the Pension Plan for the year ended December 31, 2022.

H. Other Postemployment Benefits

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

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,106,268	\$ 441,645	\$ (135,282)
Single-Employer Defined OPEB Plan	6,410,748	1,143,015	(403,144)
Total OPEB Liability	\$ 7,517,016	\$ 1,584,660	\$ (538,426)

1. Single-Employer Defined Postemployment Benefit Plan

Plan Description

The Plan is a single employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan. Depending on employee classification and years of service, the City pays up to a maximum of 85% of the premium, not to exceed Medicare age eligibility. There are no Plan assets that have been accumulated in a trust. There are no separate Plan financial statements issued.

Benefits Provided

The City provides health care for retired employees through the City's group plans.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries		
Currently Receiving Benefit Payments		21
Active Employees		117
Total		138

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

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

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2021, and was determined by an actuarial valuation date of December 31, 2021.

Actuarial Assumptions. The total OPEB liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.00%
Investment Rate of Return:	2.25%
Healthcare Cost Trend Rates:	6.50% for 2021 decreasing to an ultimate rate of 5.0%, and level thereafter

Mortality rates are the same as those used in the Wisconsin 2020 Mortality table.

The actuarial assumptions used in the December 31, 2021, valuation were based on the *Wisconsin Retirement System 2018 - 2021 Experience Study*.

The current yield for 20-year tax-exempt municipal bond rate as of the measurement date was used for all years of benefit payments.

Discount Rate. The discount rate used to measure the total OPEB liability was 2.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

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

Changes in the Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at December 31, 2020	\$ 7,013,010
Changes for the Year:	
Service Cost	180,326
Interest	155,810
Changes of Benefit Terms	(213,163)
Difference Between Expected and Actual Experience	(310,495)
Changes of Assumptions	(58,196)
Benefit Payments	(356,544)
Net Changes	(602,262)
Balance at December 31, 2021	\$ 6,410,748

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.25%) or 1% higher (2.25%) than the current rate:

	1% Decrease to Discount Rate 1.25%	Current Discount Rate 2.25%	1% Increase to Discount Rate 3.25%
Total OPEB Liability	\$ 6,815,226	\$ 6,410,748	\$ 6,028,323

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.5% decreasing to 4.0%) or 1% higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (5.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5%)	1% Increase (7.5% Decreasing to 6.0%)
Total OPEB Liability	\$ 5,928,974	\$ 6,410,748	\$ 6,949,038

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

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

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$232,114. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 475,482	\$ 271,683
Changes in Assumptions	283,803	131,461
City Contributions Subsequent to the Measurement Date	383,730	-
Total	\$ 1,143,015	\$ 403,144

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

Year Ending December 31,	Expense
2022	\$ 109,141
2023	109,141
2024	109,139
2025	135,988
2026	(15,099)
Thereafter	(92,169)
Total	\$ 356,141

Payable to the OPEB Plan

At December 31, 2022, the City reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2022.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

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

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

Benefits Provided

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

Contributions

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

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

Contribution rates as of December 31, 2022, are:

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

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

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

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

During the reporting period, the LRLIF recognized \$3,268 in contributions from the employer.

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

At December 31, 2022, the City reported a liability of \$1,106,268 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021, rolled forward to December 31, 2021. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB Plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.18717400%, which was an increase of 0.024445% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense of \$150,125.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 56,275
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	14,394	-
Changes in Assumptions	334,242	53,621
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	93,009	25,386
Total	\$ 441,645	\$ 135,282

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

Year Ending December 31,	Expense
2023	\$ 66,839
2024	65,169
2025	58,984
2026	68,320
2027	34,063
Thereafter	12,988
Total	\$ 306,363

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions

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

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Long-Term Expected Return on Plan Assets

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	45.00	1.68
U.S. Long Credit Bonds	Bloomberg US Long Credit	5.00	1.82
U.S. Mortgages	Bloomberg US MBS	50.00	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Single Discount Rate

A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020, to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the Plan's fiduciary net position is projected to be insufficient. The Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through December 31, 2036.

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

Sensitivity of the City's Proportionate Share of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.25%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,500,806	\$ 1,106,268	\$ 809,393

Payable to the OPEB Plan

At December 31, 2022, the City reported a payable of \$35 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2022.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity

Nonspendable Fund Balance

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

General Fund:

Nonspendable:

Prepaid Items	\$ 747,684
Long Term Receivables	1,736,776
Total Nonspendable Fund Balance	<u>\$ 2,484,460</u>

Restricted Fund Balance

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

Special Revenue Funds:

Restricted for:

Housing Revolving Loans	\$ 172,001
Library	18,004
Library Gift Fund	79,690
WDF Administrative	200
EMS Act 102 Grant	22,311
Business and Industrial Revolving Loans	1,325,334
Affordable Housing	141,477
Medical/Hospital Equipment	18,889
ARPA Fund	3,115

Capital Projects Funds:

Restricted for:

Street Construction	547,499
Bridge Construction	94,381
TIF District No. 7	1,022,898
TIF District No. 8	63,832
TIF District No. 9	153,655
TIF District No. 11	4,378
TIF District No. 12	1,063
High School Bike Trail	15,000
Harbor Master Plan	<u>519,687</u>

Total Restricted Fund Balance	<u>\$ 4,203,414</u>
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CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Committed Fund Balance

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

Special Revenue Funds:

Committed for:

Community Tourism	\$	119,588
Special Events Donations		20,521
Business Improvement District		3,950
Docks and Harbors		6,914
Urban Forestry		5,813
Tree Planting		5,263
Community Development		45,054

Capital Projects Funds:

Committed for:

Street Construction		85,507
Bridge Construction		4,369
Public Works Equipment		67,129
Industrial Park Development		88,329
City Landfill		96,640
Central Park Renovation		654,644
High School Bike Trail		68,148
Harbor Master Plan		968,767
Library Building and Grounds		24,237

Total Committed Fund Balance \$ 2,264,873

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

NOTE 4 OTHER INFORMATION

A. WPPI Energy Contract (WPPI)

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

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

Under the Long-Term Contract, the City of Two Rivers, Wisconsin and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirement which includes power supply costs, administrative expenses, and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its board of directors, which consists of representatives from each member municipality.

The City of Two Rivers, Wisconsin has agreed to charge rates to the retail rate payers of its electric system sufficient to meet its obligations to WPPI. The Long-Term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the City of Two Rivers, Wisconsin electric system payable from any operating and maintenance fund established by the City of Two Rivers, Wisconsin electric utility.

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

The electric operation purchases power through WPPI Energy, for distribution to its customers. Total purchases under this arrangement amounted to approximately \$6.7 million in 2022.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Tax Incremental Financing Districts

The City has established separate capital projects funds for Tax Incremental District (TID) Nos. 4 through 16. The TIDs were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TIDs were created, the property tax base within each TID was "frozen" and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Except for certain exceptions under Section 66.1105(6)(am)(1), the Statutes allow up to five years from the date of termination for a tax incremental district to incur project costs eligible for financing from tax increments.

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

	Termination Year
TID No. 4	02/07/22
TID No. 6	07/17/27
TID No. 7	08/20/28
TID No. 8	08/05/29
TID No. 9	07/28/26
TID No. 10	08/25/41
TID No. 11	09/06/43
TID No. 12	09/04/45
TID No. 13	02/03/41
TID No. 14	05/17/41
TID No. 15	07/19/48
TID No. 16	09/27/48
TID No. 17	09/06/49

C. Tax Abatements

The City has created Tax Increment Financing Districts (the Districts) in accordance with Wisconsin State Statute 66.1105, Tax Increment Law. As part of the project plan for the Districts, the City entered into agreements with developers for creation of tax base within the Districts. The agreements require the City to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2022, the City abated property taxes totaling \$290,773 under this program, including the following amounts:

- A property tax abatement of \$270,773 to a developer within District No. 9.
- A property tax abatement of \$20,000 to a developer within District No. 10.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Contingencies

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

E. Risk Management

The City is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. The amount of actual settlements has not exceeded the insurance coverage amounts in any of the three most recent years.

F. Subsequent Events

During 2023, the City issued the following long-term debt obligations:

- On April 3, 2023, the City issued general obligation promissory notes in the amount of \$1,165,000 to be used for various equipment and capital improvement projects.
- The City has approved and authorized the issuance of \$329,366. This will be disbursed to the City as part of the Sewerage System Clean Water Fund Project described previously in Note 3.E.
- The City incurred additional debt subsequent to December 31, 2022 in the amount of \$526,696, of which \$390,000 has been drawn. This amount was disbursed to the City as part of the Clean Water Fund Loan described previously in Note 3.E.

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement Period Ending December 31,	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2014	0.06625508 %	\$ (1,627,406)	\$ 7,273,639	22.37 %	102.74 %
2015	0.06634313	1,078,063	7,423,143	14.52	98.20
2016	0.06736854	555,278	7,680,109	7.23	99.12
2017	0.06946263	(2,062,427)	7,920,634	26.04	102.93
2018	0.07174643	2,552,513	8,182,118	31.20	96.45
2019	0.07286082	(2,349,365)	8,387,804	28.01	102.96
2020	0.07376752	(4,605,408)	8,722,182	52.80	105.26
2021	0.07368305	(5,938,989)	8,638,338	68.75	106.02

See accompanying Notes to Required Supplementary Information.

**CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS***

<u>Fiscal Year Ended December 31</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2015	\$ 638,770	\$ 638,770	\$ -	\$ 7,423,143	8.61 %
2016	661,683	661,683	-	7,680,109	8.62
2017	734,795	734,795	-	7,920,634	9.28
2018	751,207	751,207	-	8,182,118	9.18
2019	761,553	761,553	-	8,387,804	9.08
2020	849,147	849,147	-	8,722,182	9.74
2021	848,073	848,073	-	8,638,338	9.82
2022	868,733	868,733	-	8,943,746	9.71

*Amounts for prior years were not available.

**CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 MEASUREMENT PERIODS***

Plan Fiscal Year Ended December 31,	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.16989100 %	\$ 511,131	\$ 7,920,634	6.45 %	44.81 %
2018	0.17386000	448,617	8,182,118	5.48	48.69
2019	0.17281800	735,893	8,168,000	9.01	37.58
2020	0.16272900	895,127	8,178,000	10.95	31.36
2021	0.18717400	1,106,268	8,413,000	13.15	29.57

*Amounts for prior years were not available.

See accompanying Notes to Required Supplementary Information.

CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS*

Fiscal Year Ended December 31,	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2018	\$ 3,349	\$ 3,349	\$ -	\$ 8,182,118	0.04 %
2019	3,440	3,440	-	8,168,000	0.04
2020	3,124	3,124	-	8,178,000	0.04
2021	3,420	3,420	-	8,413,000	0.04
2022	3,268	3,268	-	8,943,746	0.04

*Amounts for prior years were not available.

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

	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY					
Service Cost	\$ 180,326	\$ 161,329	\$ 169,825	\$ 178,228	\$ 178,228
Interest	155,810	185,026	227,897	207,851	209,119
Differences Between Expected and Actual Experience	-	-	832,095	-	-
Changes of Assumptions	(58,196)	216,916	225,508	(187,924)	-
Effect of Liability Gains or Losses	(523,658)	-	-	-	-
Benefit Payments	(356,544)	(395,645)	(444,924)	(425,292)	(421,890)
NET CHANGE IN TOTAL OPEB LIABILITY	(602,262)	167,626	1,010,401	(227,137)	(34,543)
Total OPEB Liability - Beginning of Year	7,013,010	6,845,384	5,834,983	6,062,120	6,096,663
TOTAL OPEB LIABILITY - END OF YEAR	\$ 6,410,748	\$ 7,013,010	\$ 6,845,384	\$ 5,834,983	\$ 6,062,120
Covered-Employee Payroll	\$ 7,766,532	\$ 7,319,913	\$ 7,319,913	\$ 6,875,838	\$ 6,875,838
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	82.54%	95.81%	93.52%	84.86%	

*The amounts presented for each fiscal year were determined as of the prior fiscal year-end. Amounts for prior years were not available.

See accompanying Notes to Required Supplementary Information.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

NOTE 1 WISCONSIN RETIREMENT SYSTEM

Changes of benefits terms: There were no changes of benefits terms for any participating employers in the WRS.

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

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

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

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

The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The City maintains the following two OPEB plans:

Single-Employer Defined Postemployment Benefit Plan

Demographic assumptions have been updated based upon the most recent Wisconsin Retirement System (WRS) experience study. No assets have been accumulated in an irrevocable trust, so the Plan's discount rate applied to all periods is based on a 20-year, tax-exempt general obligation municipal bond index.

Local Retiree Life Insurance Fund (LRLIF)

Benefits Terms: There were no changes of benefit terms for any participating employer in LRLIF.

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

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

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

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

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

The City is required to present the last then fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Taxes:				
General Property	\$ 2,230,500	\$ 2,230,500	\$ 2,230,500	\$ -
Payments in Lieu of Taxes	20	20	17	(3)
Other Taxes	10,000	10,000	8,881	(1,119)
Interest and Taxes	10,000	10,000	7,753	(2,247)
Total Taxes	2,250,520	2,250,520	2,247,151	(3,369)
Special Assessments:				
Street Paving and Construction	160,000	160,000	137,103	(22,897)
Other Special Assessments	9,000	9,000	4,201	(4,799)
Total Special Assessments	169,000	169,000	141,304	(27,696)
Intergovernmental:				
State Shared Taxes	3,781,139	3,781,139	3,784,644	3,505
Exempt Computer Aid	20,850	20,850	20,433	(417)
Fire Insurance Tax	25,000	25,000	26,086	1,086
Shared Election Aid	-	-	561	561
Law Enforcement Training	10,000	10,000	8,130	(1,870)
Expenditure Restraint	172,696	172,696	172,696	-
Other Public Safety	26,000	26,000	26,230	230
Municipal Services Payment	5,100	5,100	5,221	121
Local Highway Aid	456,998	456,998	456,998	-
Connecting Streets	89,913	89,913	89,913	-
Total Intergovernmental	4,587,696	4,587,696	4,590,912	3,216
Licenses and Permits:				
Licenses:				
Liquor and Malt Beverage	16,000	16,000	16,609	609
Bar Operators	6,000	6,000	6,010	10
Cigarette	1,000	1,000	1,000	-
Dog	8,000	8,000	7,580	(420)
Business and Occupational	2,500	2,500	1,532	(968)
Bicycle	600	600	950	350
Permits:				
Building	70,000	70,000	63,488	(6,512)
Electrical	15,000	15,000	16,985	1,985
Plumbing	20,000	20,000	23,550	3,550
Sign	2,200	2,200	1,320	(880)
Conditional Use	3,500	3,500	1,750	(1,750)
Other Permits	5,000	5,000	9,451	4,451
Cable Franchise Fees	140,000	140,000	135,731	(4,269)
Total Licenses and Permits	289,800	289,800	285,956	(3,844)

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Fines and Forfeits:				
Court Penalties and Costs	\$ 80,000	\$ 80,000	\$ 73,274	\$ (6,726)
Animal Control	500	500	350	(150)
Parking Fines	18,400	18,400	4,561	(13,839)
Total Fines and Forfeits	98,900	98,900	78,185	(20,715)
Public Charges for Services:				
Publication	-	-	556	556
Community Center	30,000	30,000	27,625	(2,375)
Senior Center	35,000	35,000	-	(35,000)
General Government	24,000	24,000	26,535	2,535
Public Works	260,000	260,000	203,265	(56,735)
Cemetery Plots and Burials	120,000	120,000	101,615	(18,385)
Law Enforcement	2,500	2,500	2,109	(391)
Ambulance	820,000	820,000	744,330	(75,670)
Recreation	85,000	85,000	69,537	(15,463)
Fire Department	57,000	57,000	58,642	1,642
Total Public Charges for Services	1,433,500	1,433,500	1,234,214	(199,286)
Intergovernmental Charges for Services:				
Police Liaison	142,000	142,000	146,842	4,842
Shared Fire Expense	500	500	-	(500)
Total Intergovernmental Charges for Services	142,500	142,500	146,842	4,342
Interdepartmental Charges for Services:				
Public Works	525,000	525,000	429,955	(95,045)
Recreation	30,000	30,000	31,227	1,227
Economic Development	20,000	20,000	10,626	(9,374)
Total Interdepartmental Charges for Services	575,000	575,000	471,808	(103,192)
Miscellaneous:				
Interest on Investments	18,000	18,000	67,092	49,092
Interest on Advances	45,500	45,500	37,502	(7,998)
Interest on Special Assessments	20,000	20,000	22,094	2,094
Rental Income	65,000	65,000	80,279	15,279
Refunds for Prior Years	36,500	36,500	43,006	6,506
Insurance Recovery	-	-	594	594
Other	5,000	5,000	27,043	22,043
Total Miscellaneous	190,000	190,000	277,610	87,610
Total Revenues	\$ 9,736,916	\$ 9,736,916	\$ 9,473,982	\$ (262,934)

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
General Government:				
Council	\$ 15,820	\$ 15,820	\$ 14,229	\$ 1,591
Judicial	59,548	59,548	61,046	(1,498)
Clerk	79,844	79,844	75,596	4,248
Assessor	111,631	111,631	109,650	1,981
Elections	25,100	25,100	18,404	6,696
City Manager	165,531	165,531	154,942	10,589
City Hall	80,165	80,165	91,206	(11,041)
Information Systems	106,838	106,838	104,056	2,782
Other General Government	15,150	15,150	10,965	4,185
Insurance and Bonds	340,920	340,920	326,925	13,995
Legal	54,433	54,433	52,485	1,948
Accounting	141,800	141,800	138,987	2,813
Uncollectible Taxes and Refunds	10,000	10,000	12,564	(2,564)
Contingency	19,373	19,373	-	19,373
Total General Government	1,226,153	1,226,153	1,171,055	55,098
Public Safety:				
Police and Fire Commission	5,150	5,150	5,377	(227)
Police Department	3,281,052	3,281,052	3,338,725	(57,673)
Fire Department	2,107,913	2,107,913	2,199,907	(91,994)
Ambulance	502,550	502,550	467,520	35,030
Inspection	137,095	137,095	138,475	(1,380)
Total Public Safety	6,033,760	6,033,760	6,150,004	(116,244)
Public Works:				
Public Works Shop	635,220	635,220	580,368	54,852
Highway Administration	193,587	193,587	178,312	15,275
Bridge Repairs and Maintenance	57,157	57,157	47,261	9,896
Street and Highway Maintenance	259,142	259,142	245,950	13,192
Snow and Ice Removal	213,419	213,419	144,730	68,689
Traffic Control	64,460	64,460	42,447	22,013
Transit	115,000	115,000	112,694	2,306
Work Done for Others	150,107	150,107	216,123	(66,016)
Total Public Works	1,688,092	1,688,092	1,567,885	120,207
Health and Human Services:				
Cemetery	176,821	176,821	167,947	8,874
Senior Center	181,414	181,414	157,473	23,941
Total Health and Human Services	358,235	358,235	325,420	32,815

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Culture and Recreation:				
Community Center	\$ 410,854	\$ 410,854	\$ 390,881	\$ 19,973
Parks	318,467	318,467	310,233	8,234
Recreation	298,857	298,857	274,244	24,613
Special Events	34,326	34,326	42,671	(8,345)
Recreation Fields	124,432	124,432	132,453	(8,021)
Total Culture and Recreation	1,186,936	1,186,936	1,150,482	36,454
 Total Expenditures	 \$ 10,493,176	 \$ 10,493,176	 \$ 10,364,846	 \$ 128,330

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 2,380,752	\$ 2,380,752	\$ 2,380,752	\$ -
Miscellaneous	1,000	1,000	48,220	47,220
Total Revenues	2,381,752	2,381,752	2,428,972	47,220
EXPENDITURES				
Debt Service:				
Principal	2,131,191	2,131,191	2,083,731	47,460
Interest and Fiscal Charges	490,374	490,374	599,957	(109,583)
Total Expenditures	2,621,565	2,621,565	2,683,688	(62,123)
DEFICIT OF REVENUES UNDER EXPENDITURES	(239,813)	(239,813)	(254,716)	(14,903)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	610	610
Premium on Debt Issued	-	-	88,474	88,474
Transfers In	258,463	258,463	165,963	(92,500)
Transfers Out	(47,916)	(47,916)	(47,916)	-
Total Other Financing Sources (Uses)	210,547	210,547	207,131	(3,416)
NET CHANGE IN FUND BALANCE	(29,266)	(29,266)	(47,585)	(18,319)
Fund Balance - Beginning of Year	29,314	29,314	29,314	-
FUND BALANCE - END OF YEAR	\$ 48	\$ 48	\$ (18,271)	\$ (18,319)

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

ASSETS	Special Revenue				
	Library	Library Gift	Community Tourism	Special Events Donations	WDF Administrative
Cash and Investments	\$ 314,921	\$ 79,690	\$ 120,338	\$ 20,521	\$ 200
Receivables					
Taxes and Special Charges	345,627	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	\$ 660,548	\$ 79,690	\$ 120,338	\$ 20,521	\$ 200
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,432	\$ -	\$ 750	\$ -	\$ -
Accrued and Other Current Liabilities	9,805	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	20	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	11,257	-	750	-	-
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	631,287	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	631,287	-	-	-	-
FUND BALANCES					
Restricted	18,004	79,690	-	-	200
Committed	-	-	119,588	20,521	-
Unassigned	-	-	-	-	-
Total Fund Balances	18,004	79,690	119,588	20,521	200
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 660,548	\$ 79,690	\$ 120,338	\$ 20,521	\$ 200

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

ASSETS	Special Revenue				
	Business Improvement District	Docks and Harbors	Urban Forestry	Senior Center	Tree Planting
Cash and Investments	\$ 13,535	\$ 7,014	\$ 5,885	\$ -	\$ 5,263
Receivables					
Taxes and Special Charges	34,843	-	-	-	-
Accounts	3,950	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	<u>\$ 52,328</u>	<u>\$ 7,014</u>	<u>\$ 5,885</u>	<u>\$ -</u>	<u>\$ 5,263</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 100	\$ -	\$ 390	\$ -
Accrued and Other Current Liabilities	-	-	72	499	-
Due to Other Funds	-	-	-	11,639	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	1,819	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	100	72	14,347	-
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	48,378	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	48,378	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	3,950	6,914	5,813	-	5,263
Unassigned	-	-	-	(14,347)	-
Total Fund Balances	<u>3,950</u>	<u>6,914</u>	<u>5,813</u>	<u>(14,347)</u>	<u>5,263</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 52,328</u>	<u>\$ 7,014</u>	<u>\$ 5,885</u>	<u>\$ -</u>	<u>\$ 5,263</u>

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

	Special Revenue				
	EMS Act 102 Grant	Business and Industrial Revolving Loans	Sandy Bay Highlands	Affordable Housing	Medical/ Hospital Equipment
ASSETS					
Cash and Investments	\$ 22,311	\$ 1,325,334	\$ -	\$ 141,477	\$ 18,889
Receivables	-	-	-	-	-
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	1,184,502	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	<u>\$ 22,311</u>	<u>\$ 2,509,836</u>	<u>\$ -</u>	<u>\$ 141,477</u>	<u>\$ 18,889</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Loans Receivable	-	1,184,502	-	-	-
Total Deferred Inflows of Resources	-	1,184,502	-	-	-
FUND BALANCES					
Restricted	22,311	1,325,334	-	141,477	18,889
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>22,311</u>	<u>1,325,334</u>	<u>-</u>	<u>141,477</u>	<u>18,889</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,311</u>	<u>\$ 2,509,836</u>	<u>\$ -</u>	<u>\$ 141,477</u>	<u>\$ 18,889</u>

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

	Special Revenue		Capital Projects		
	Community Development	ARPA Fund	Street Construction	Bridge Construction	Park and Cemetery Construction
ASSETS					
Cash and Investments	\$ 47,213	\$ 853,804	\$ 633,006	\$ 98,750	\$ -
Receivables	-	-	-	-	-
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	<u>\$ 47,213</u>	<u>\$ 853,804</u>	<u>\$ 633,006</u>	<u>\$ 98,750</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 3,782
Accrued and Other Current Liabilities	2,159	-	-	-	-
Due to Other Funds	-	-	-	-	54,105
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	850,689	-	-	-
Total Liabilities	<u>2,159</u>	<u>850,689</u>	<u>-</u>	<u>-</u>	<u>57,887</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	3,115	547,499	94,381	-
Committed	45,054	-	85,507	4,369	-
Unassigned	-	-	-	-	(57,887)
Total Fund Balances	<u>45,054</u>	<u>3,115</u>	<u>633,006</u>	<u>98,750</u>	<u>(57,887)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 47,213</u>	<u>\$ 853,804</u>	<u>\$ 633,006</u>	<u>\$ 98,750</u>	<u>\$ -</u>

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

ASSETS	Capital Projects				
	Fire Equipment	Public Works Equipment	City Hall Equipment	Management Information	Police Equipment
Cash and Investments	\$ -	\$ 67,129	\$ -	\$ -	\$ 43,325
Receivables	-	-	-	-	-
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	\$ -	\$ 67,129	\$ -	\$ -	\$ 43,325
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 260	\$ -	\$ -	\$ 7,461	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	29,295	-	8,095	11,271	118,389
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	29,555	-	8,095	18,732	118,389
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	67,129	-	-	-
Unassigned	(29,555)	-	(8,095)	(18,732)	(75,064)
Total Fund Balances	(29,555)	67,129	(8,095)	(18,732)	(75,064)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 67,129	\$ -	\$ -	\$ 43,325

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

	Capital Projects				
	TIF District No. 4	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9
ASSETS					
Cash and Investments	\$ 26,862	\$ -	\$ 395,235	\$ 166,623	\$ 237,933
Receivables					
Taxes and Special Charges	-	12,670	41,617	124,368	101,970
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	662,060	-	-
	<u>\$ 26,862</u>	<u>\$ 12,670</u>	<u>\$ 1,098,912</u>	<u>\$ 290,991</u>	<u>\$ 339,903</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 4,805	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	165,705	-	-	-
Due to Other Governments	22,057	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	<u>26,862</u>	<u>165,705</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	23,141	76,014	227,159	186,248
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>23,141</u>	<u>76,014</u>	<u>227,159</u>	<u>186,248</u>
FUND BALANCES					
Restricted	-	-	1,022,898	63,832	153,655
Committed	-	-	-	-	-
Unassigned	-	(176,176)	-	-	-
Total Fund Balances	<u>-</u>	<u>(176,176)</u>	<u>1,022,898</u>	<u>63,832</u>	<u>153,655</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,862</u>	<u>\$ 12,670</u>	<u>\$ 1,098,912</u>	<u>\$ 290,991</u>	<u>\$ 339,903</u>

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

	Capital Projects				
	TIF District No. 10	TIF District No. 11	TIF District No. 12	TIF District No. 13	TIF District No. 14
ASSETS					
Cash and Investments	\$ -	\$ 17,760	\$ 47,918	\$ -	\$ 1,860
Receivables					
Taxes and Special Charges	5,941	16,191	56,691	13,764	5,365
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	<u>\$ 5,941</u>	<u>\$ 33,951</u>	<u>\$ 104,609</u>	<u>\$ 13,764</u>	<u>\$ 7,225</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	157,988	-	-	4,527	108
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	<u>157,988</u>	<u>-</u>	<u>-</u>	<u>4,527</u>	<u>108</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	10,852	29,573	103,546	25,140	9,798
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>10,852</u>	<u>29,573</u>	<u>103,546</u>	<u>25,140</u>	<u>9,798</u>
FUND BALANCES					
Restricted	-	4,378	1,063	-	-
Committed	-	-	-	-	-
Unassigned	(162,899)	-	-	(15,903)	(2,681)
Total Fund Balances	<u>(162,899)</u>	<u>4,378</u>	<u>1,063</u>	<u>(15,903)</u>	<u>(2,681)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,941</u>	<u>\$ 33,951</u>	<u>\$ 104,609</u>	<u>\$ 13,764</u>	<u>\$ 7,225</u>

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

ASSETS	Capital Projects				
	TIF District No. 15	TIF District No. 16	TIF District No. 17	Industrial Park Development	City Landfill
Cash and Investments	\$ -	\$ -	\$ -	\$ 92,809	\$ 96,708
Receivables					
Taxes and Special Charges	161	462	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	4,125	-
Due from Other Funds	-	-	-	-	-
Total Assets	\$ 161	\$ 462	\$ -	\$ 96,934	\$ 96,708
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 68
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	6,685	5,190	1,030	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	4,480	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	6,685	5,190	1,030	4,480	68
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	293	843	-	-	-
Loans Receivable	-	-	-	4,125	-
Total Deferred Inflows of Resources	293	843	-	4,125	-
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	-	-	88,329	96,640
Unassigned	(6,817)	(5,571)	(1,030)	-	-
Total Fund Balances	(6,817)	(5,571)	(1,030)	88,329	96,640
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 161	\$ 462	\$ -	\$ 96,934	\$ 96,708

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

	Capital Projects				Totals
	Central Park Renovation	High School Bike Trail	Harbor Master Plan	Library Building and Grounds	
ASSETS					
Cash and Investments	\$ 859,444	\$ 83,148	\$ 1,488,454	\$ 24,237	\$ 7,357,596
Receivables					759,670
Taxes and Special Charges	-	-	-	-	3,950
Accounts	-	-	-	-	1,188,627
Loans	-	-	-	-	662,060
Due from Other Funds	-	-	-	-	
	<u>\$ 859,444</u>	<u>\$ 83,148</u>	<u>\$ 1,488,454</u>	<u>\$ 24,237</u>	<u>\$ 9,971,903</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 204,800	\$ -	\$ -	\$ -	\$ 223,848
Accrued and Other Current Liabilities	-	-	-	-	12,535
Due to Other Funds	-	-	-	-	574,027
Due to Other Governments	-	-	-	-	22,077
Special Deposits	-	-	-	-	6,299
Unearned Revenues	-	-	-	-	850,689
Total Liabilities	<u>204,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,689,475</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	1,372,272
Loans Receivable	-	-	-	-	1,188,627
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,560,899</u>
FUND BALANCES					
Restricted	-	15,000	519,687	-	4,031,413
Committed	654,644	68,148	968,767	24,237	2,264,873
Unassigned	-	-	-	-	(574,757)
Total Fund Balances	<u>654,644</u>	<u>83,148</u>	<u>1,488,454</u>	<u>24,237</u>	<u>5,721,529</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 859,444</u>	<u>\$ 83,148</u>	<u>\$ 1,488,454</u>	<u>\$ 24,237</u>	<u>\$ 9,971,903</u>

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

	Special Revenue				
	Library	Library Gift	Community Tourism	Special Events Donations	WDF Administrative
REVENUES					
Taxes	\$ 631,287	\$ -	\$ 291,714	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	171,601	-	-	-	-
Public Charges for Services	7,403	-	26,633	36,786	-
Miscellaneous	65,039	(12,870)	-	20,693	-
Total Revenues	875,330	(12,870)	318,347	57,479	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	854,123	3,782	-	47,376	-
Conservation and Development	-	-	157,217	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Principal	11,832	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	865,955	3,782	157,217	47,376	-
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	9,375	(16,652)	161,130	10,103	-
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Lease Proceeds	-	-	-	-	-
Proceeds from Sale of Capital Assets	2,388	-	-	-	-
Transfers In	-	-	218,016	-	-
Transfers Out	(1,440)	(20,000)	(276,537)	-	-
Total Other Financing Sources (Uses)	948	(20,000)	(58,521)	-	-
NET CHANGE IN FUND BALANCES	10,323	(36,652)	102,609	10,103	-
Fund Balances - Beginning of Year	7,681	116,342	16,979	10,418	200
FUND BALANCES - END OF YEAR	\$ 18,004	\$ 79,690	\$ 119,588	\$ 20,521	\$ 200

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

	Special Revenue				
	Business Improvement District	Docks and Harbors	Urban Forestry	Senior Center	Tree Planting
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	38,491	-	-	-	-
Intergovernmental	-	-	-	6,300	-
Public Charges for Services	-	7,118	-	166,574	-
Miscellaneous	-	-	-	6,816	21,008
Total Revenues	38,491	7,118	-	179,690	21,008
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	6,267	-	-	-
Health and Human Services	-	-	-	153,148	-
Culture and Recreation	-	-	-	671	-
Conservation and Development	40,579	-	24,657	-	28,232
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	8,317	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	40,579	14,584	24,657	153,819	28,232
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(2,088)	(7,466)	(24,657)	25,871	(7,224)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Lease Proceeds	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	19,500	-	-
Transfers Out	-	-	-	-	(19,500)
Total Other Financing Sources (Uses)	-	-	19,500	-	(19,500)
NET CHANGE IN FUND BALANCES	(2,088)	(7,466)	(5,157)	25,871	(26,724)
Fund Balances - Beginning of Year	6,038	14,380	10,970	(40,218)	31,987
FUND BALANCES - END OF YEAR	\$ 3,950	\$ 6,914	\$ 5,813	\$ (14,347)	\$ 5,263

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

	Special Revenue				
	EMS Act 102 Grant	Business and Industrial Revolving Loans	Sandy Bay Highlands	Affordable Housing	Medical/ Hospital Equipment
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	81,904	6,000	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	1,339,920	3,838	-	14,191
Total Revenues	<u>81,904</u>	<u>1,345,920</u>	<u>3,838</u>	<u>-</u>	<u>14,191</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	69,701	-	-	-	14,778
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	223,439	9,181	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>69,701</u>	<u>223,439</u>	<u>9,181</u>	<u>-</u>	<u>14,778</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	12,203	1,122,481	(5,343)	-	(587)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Lease Proceeds	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	103,577	-	-
Transfers In	-	-	-	49,647	-
Transfers Out	-	(103,000)	(98,234)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(103,000)</u>	<u>5,343</u>	<u>49,647</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	12,203	1,019,481	-	49,647	(587)
Fund Balances - Beginning of Year	<u>10,108</u>	<u>305,853</u>	<u>-</u>	<u>91,830</u>	<u>19,476</u>
FUND BALANCES - END OF YEAR	<u>\$ 22,311</u>	<u>\$ 1,325,334</u>	<u>\$ -</u>	<u>\$ 141,477</u>	<u>\$ 18,889</u>

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

	Special Revenue		Capital Projects		
	Community Development	ARPA Fund	Street Construction	Bridge Construction	Park and Cemetery Construction
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	304,956	-	-	60,217
Public Charges for Services	-	-	-	-	-
Miscellaneous	1,000	3,115	-	-	-
Total Revenues	1,000	308,071	-	-	60,217
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	6,466
Conservation and Development	129,794	304,956	-	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	440,932	8,622	-
Culture and Recreation	-	-	-	-	312,926
Conservation and Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	129,794	304,956	440,932	8,622	319,392
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(128,794)	3,115	(440,932)	(8,622)	(259,175)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	950,000	-	235,000
Lease Proceeds	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	175,000	-	-	-	28,000
Transfers Out	-	-	(14,000)	-	(355,715)
Total Other Financing Sources (Uses)	175,000	-	936,000	-	(92,715)
NET CHANGE IN FUND BALANCES	46,206	3,115	495,068	(8,622)	(351,890)
Fund Balances - Beginning of Year	(1,152)	-	137,938	107,372	294,003
FUND BALANCES - END OF YEAR	\$ 45,054	\$ 3,115	\$ 633,006	\$ 98,750	\$ (57,887)

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

	Capital Projects				
	Fire Equipment	Public Works Equipment	City Hall Equipment	Management Information	Police Equipment
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	11,089	35,791	3,000	-	13,415
Total Revenues	11,089	35,791	3,000	-	13,415
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	13,817	-	-	-	188
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Capital Outlay:					
General Government	-	-	99,285	91,583	-
Public Safety	800,198	-	-	-	159,862
Public Works	-	346,184	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	814,015	346,184	99,285	91,583	160,050
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(802,926)	(310,393)	(96,285)	(91,583)	(146,635)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	550,000	200,000	97,790	-	51,600
Lease Proceeds	-	105,182	-	-	-
Proceeds from Sale of Capital Assets	31,500	23,203	-	-	300
Transfers In	-	-	-	52,000	47,916
Transfers Out	-	(14,000)	-	-	-
Total Other Financing Sources (Uses)	581,500	314,385	97,790	52,000	99,816
NET CHANGE IN FUND BALANCES	(221,426)	3,992	1,505	(39,583)	(46,819)
Fund Balances - Beginning of Year	191,871	63,137	(9,600)	20,851	(28,245)
FUND BALANCES - END OF YEAR	\$ (29,555)	\$ 67,129	\$ (8,095)	\$ (18,732)	\$ (75,064)

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

	Capital Projects				
	TIF	TIF	TIF	TIF	TIF
	District No. 4	District No. 6	District No. 7	District No. 8	District No. 9
REVENUES					
Taxes	\$ 49,647	\$ 22,900	\$ 103,096	\$ 189,866	\$ 12,885
Special Assessments	-	-	-	-	-
Intergovernmental	1,444	5	822	-	3,681
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	22,845	-	-
Total Revenues	51,091	22,905	126,763	189,866	16,566
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	27,807	150	1,594	150	149
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	24,889	119,570	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	6,003	-	-	-
Total Expenditures	27,807	6,153	26,483	119,720	149
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	23,284	16,752	100,280	70,146	16,417
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Lease Proceeds	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	4,500	-
Transfers Out	(49,647)	-	(72,149)	(166,836)	-
Total Other Financing Sources (Uses)	(49,647)	-	(72,149)	(162,336)	-
NET CHANGE IN FUND BALANCES	(26,363)	16,752	28,131	(92,190)	16,417
Fund Balances - Beginning of Year	26,363	(192,928)	994,767	156,022	137,238
FUND BALANCES - END OF YEAR	\$ -	\$ (176,176)	\$ 1,022,898	\$ 63,832	\$ 153,655

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

	Capital Projects				
	TIF District No. 10	TIF District No. 11	TIF District No. 12	TIF District No. 13	TIF District No. 14
REVENUES					
Taxes	\$ 5,302	\$ 26,843	\$ 100,752	\$ 8,756	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	100	16,125	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	27,500	-	-	-	-
Total Revenues	32,902	42,968	100,752	8,756	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	24,327	43,117	151	151	1,573
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	4,685	-	-	463	78
Total Expenditures	29,012	43,117	151	614	1,651
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	3,890	(149)	100,601	8,142	(1,651)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Lease Proceeds	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(22,850)	-	(30,803)	-	-
Total Other Financing Sources (Uses)	(22,850)	-	(30,803)	-	-
NET CHANGE IN FUND BALANCES	(18,960)	(149)	69,798	8,142	(1,651)
Fund Balances - Beginning of Year	(143,939)	4,527	(68,735)	(24,045)	(1,030)
FUND BALANCES - END OF YEAR	\$ (162,899)	\$ 4,378	\$ 1,063	\$ (15,903)	\$ (2,681)

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

	Capital Projects				
	TIF District No. 15	TIF District No. 16	TIF District No. 17	Industrial Park Development	City Landfill
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	145,920	165,065
Total Revenues	-	-	-	145,920	165,065
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	95,931
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	4,420	4,460	1,000	3,263	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	480	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	141	81	30	-	-
Total Expenditures	4,561	4,541	1,030	3,743	95,931
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(4,561)	(4,541)	(1,030)	142,177	69,134
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Lease Proceeds	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(150,000)	-
Total Other Financing Sources (Uses)	-	-	-	(150,000)	-
NET CHANGE IN FUND BALANCES	(4,561)	(4,541)	(1,030)	(7,823)	69,134
Fund Balances - Beginning of Year	(2,256)	(1,030)	-	96,152	27,506
FUND BALANCES - END OF YEAR	\$ (6,817)	\$ (5,571)	\$ (1,030)	\$ 88,329	\$ 96,640

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

	Capital Projects				Totals
	Central Park Renovation	Bike Trail	Harbor Master Plan	Library Building and Grounds	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,443,048
Special Assessments	-	-	-	-	38,491
Intergovernmental	-	-	-	-	653,155
Public Charges for Services	-	-	-	-	244,514
Miscellaneous	518,986	10,000	-	180,408	2,596,769
Total Revenues	518,986	10,000	-	180,408	4,975,977
EXPENDITURES					
Current:					
General Government	-	-	-	212,450	212,450
Public Safety	-	-	-	-	98,484
Public Works	-	-	-	-	102,198
Health and Human Services	-	-	-	-	153,148
Culture and Recreation	426,454	5,488	-	-	1,344,360
Conservation and Development	-	-	-	-	1,030,367
Capital Outlay:					
General Government	-	-	-	-	190,868
Public Safety	-	-	-	-	960,060
Public Works	-	-	-	-	804,055
Culture and Recreation	-	-	-	-	312,926
Conservation and Development	-	-	-	-	144,939
Debt Service:					
Principal	-	-	-	-	11,832
Interest and Fiscal Charges	-	-	-	-	11,481
Total Expenditures	426,454	5,488	-	212,450	5,377,168
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	92,532	4,512	-	(32,042)	(401,191)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	205,000	15,000	-	-	2,304,390
Lease Proceeds	-	-	-	-	105,182
Proceeds from Sale of Capital Assets	-	-	-	-	160,968
Transfers In	351,215	-	-	20,000	965,794
Transfers Out	-	-	-	-	(1,394,711)
Total Other Financing Sources (Uses)	556,215	15,000	-	20,000	2,141,623
NET CHANGE IN FUND BALANCES	648,747	19,512	-	(12,042)	1,740,432
Fund Balances - Beginning of Year	5,897	63,636	1,488,454	36,279	3,981,097
FUND BALANCES - END OF YEAR	\$ 654,644	\$ 83,148	\$ 1,488,454	\$ 24,237	\$ 5,721,529

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2022**

	Telecommunication Utility	Solid Waste	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 92,460	\$ 129,171	\$ 221,631
Receivables			
Taxes and Special Charges	-	1,684	1,684
Other	-	66,617	66,617
Total Current Assets	92,460	197,472	289,932
Other Assets:			
Net Pension Asset	-	35,517	35,517
Capital Assets:			
Depreciable, Net	25,005	-	25,005
Total Assets	117,465	232,989	350,454
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	-	69,008	69,008
Other Postemployment Related Amounts	-	10,460	10,460
Total Deferred Outflows of Resources	-	79,468	79,468
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	471	471
Accrued and Other Current Liabilities	-	549	549
Accrued Interest Payable	-	314	314
Current Portion of Long-Term Debt	-	1,722	1,722
Total Current Liabilities	-	3,056	3,056
Long-Term Obligations, Less Current Portion:			
Revenue Bonds	-	7,604	7,604
Other Postemployment Benefits	-	46,424	46,424
Total Long-Term Obligations, Less Current Portion	-	54,028	54,028
Total Liabilities	-	57,084	57,084
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	-	83,648	83,648
Other Postemployment Related Amounts	-	3,507	3,507
Total Deferred Inflows of Resources	-	87,155	87,155
NET POSITION			
Net Investment in Capital Assets	25,005	-	25,005
Restricted for Pension Benefits	-	35,517	35,517
Unrestricted	92,460	132,701	225,161
Total Net Position	\$ 117,465	\$ 168,218	\$ 285,683

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Telecommunication Utility	Solid Waste	Total
OPERATING REVENUES			
Charges for Services	\$ -	\$ 498,714	\$ 498,714
Other	-	235,196	235,196
Total Operating Revenues	-	733,910	733,910
OPERATING EXPENSES			
Operation and Maintenance	-	775,456	775,456
Depreciation	9,641	-	9,641
Total Operating Expenses	9,641	775,456	785,097
OPERATING LOSS	(9,641)	(41,546)	(51,187)
NONOPERATING REVENUES (EXPENSES)			
Nonoperating Grants	-	81,988	81,988
Interest and Fiscal Charges	-	(354)	(354)
Other Nonoperating Revenues	15,885	-	15,885
Total Nonoperating Revenues (Expenses)	15,885	81,634	97,519
INCOME BEFORE TRANSFERS	6,244	40,088	46,332
TRANSFERS OUT	-	(1,440)	(1,440)
CHANGE IN NET POSITION	6,244	38,648	44,892
Net Position - Beginning of Year	111,221	129,570	240,791
NET POSITION - END OF YEAR	\$ 117,465	\$ 168,218	\$ 285,683

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Telecommunication Utility	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ -	\$ 732,728	\$ 732,728
Cash Received from Rent	15,885	-	15,885
Cash Paid for Employee Wages and Benefits	-	(115,390)	(115,390)
Cash Paid to Suppliers	-	(684,200)	(684,200)
Net Cash Provided (Used) by Operating Activities	15,885	(66,862)	(50,977)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating Grants	-	81,988	81,988
Transfer Out	-	(1,440)	(1,440)
Net Cash Provided by Noncapital Financing Activities	-	80,548	80,548
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Long-Term Debt	-	(1,656)	(1,656)
Interest Paid on Long-Term Debt	-	(439)	(439)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(2,095)	(2,095)
CHANGE IN CASH AND CASH EQUIVALENTS	15,885	11,591	27,476
Cash and Cash Equivalents - Beginning of Year	76,575	117,580	194,155
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 92,460	\$ 129,171	\$ 221,631

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Telecommunication Utility	Solid Waste	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Loss	\$ (9,641)	\$ (41,546)	\$ (51,187)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	9,641	-	9,641
Rental Income	15,885	-	15,885
Change in Asset, Liability, and Deferred Outflows and Inflows of Resources:			
Net Pension Asset	-	(9,360)	(9,360)
Deferred Outflows - Pension Related	-	(25,481)	(25,481)
Deferred Inflows - Pension Related	-	26,330	26,330
Deferred Outflows - OPEB Related	-	(77)	(77)
OPEB Liability	-	(1,438)	(1,438)
Deferred Inflows - OPEB Related	-	1,898	1,898
Change in Operating Assets and Liabilities:			
Accounts Receivable	-	(1,182)	(1,182)
Accounts Payable	-	(16,006)	(16,006)
Net Cash Provided (Used) by Operating Activities	\$ 15,885	\$ (66,862)	\$ (50,977)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and Cash Equivalents in Current Assets	\$ 92,460	\$ 129,171	\$ 221,631

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022**

	Custodial Funds				Total
	Property Tax Collection	Smongeski Health	Crime Prevention	TRIAD Committee	
ASSETS					
Cash and Investments	\$ 3,450,022	\$ 166,769	\$ 669	\$ 1,268	\$ 3,618,728
Receivables					
Taxes	4,174,265	-	-	-	4,174,265
Total Assets	7,624,287	166,769	669	1,268	7,792,993
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	7,624,287	-	-	-	7,624,287
NET POSITION					
Restricted	\$ -	\$ 166,769	\$ 669	\$ 1,268	\$ 168,706

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2022**

	Custodial Funds				Total
	Property Tax Collection	Smongeski Health	Crime Prevention	TRIAD Committee	
ADDITIONS					
Interest on Investments	\$ -	\$ 1,390	\$ 607	\$ 2,228	\$ 4,225
Taxes and Special Charges Collected	7,758,654	-	-	-	7,758,654
Total Additions	7,758,654	1,390	607	2,228	7,762,879
DEDUCTIONS					
Payments to Others	7,758,654	-	100	2,282	7,761,036
CHANGE IN NET POSITION	-	1,390	507	(54)	1,843
Net Position - Beginning of Year	-	165,379	162	1,322	166,863
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 166,769</u>	<u>\$ 669</u>	<u>\$ 1,268</u>	<u>\$ 168,706</u>

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



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

City Manager and City Council
City of Two Rivers, Wisconsin
Two Rivers, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Two Rivers, Wisconsin (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 1, 2023.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

City Manager and City Council
City of Two Rivers, Wisconsin

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Two Rivers, Wisconsin's Response to Finding

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
October 1, 2023

CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022

Section I – Internal Control Over Financial Reporting

FINDING NO.	CONTROL DEFICIENCIES
2022-001	Preparation of Annual Financial Report Repeat of Finding 2021-001
Type of Finding:	Significant Deficiency in Internal Control over Financial Reporting
Condition:	Current City staff maintains accounting records which reflect the City’s financial transactions; however, preparing the City’s annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and relies on our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the City’s internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the City had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.
Criteria or Specific Requirement:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.
Cause:	City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the City continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understand of accounting principles generally accepted in the United States of America and knowledge of the City’s activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City’s annual financial report.

CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Section I – Internal Control Over Financial Reporting (Continued)

FINDING NO.	CONTROL DEFICIENCIES
2022-001	Preparation of Annual Financial Report (Continued) Repeat of Finding 2021-001
Views of Responsible Officials and Planned Corrective Actions:	Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.



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2023-2024 Legislative Session



October 31, 2023 | Number 10

Storm Water Utilities Under PSC Regulation?!?!

[Senate Bill 455](#) introduced by Senator Feyen and Representative Schraa would subject storm water utilities to the full authority of the Public Service Commission to regulate rates and services. This practice would be costly and time consuming, could redirect commercial or industrial fees to residential customers, may require construction authorization on stormwater projects, and could shift costs associated with EPA and DNR compliance with TMDL's and MS4 permitting. The League opposes this bill.

Please contact your legislators and convey your concerns. Here's some food for thought:

- Rates are already subject to review and oversight at the local level. Equivalent runoff units are calculated to address the stormwater issues fairly between residential, commercial, and industrial classes. If a business thinks that the costs are too high, they can raise those issues with their local elected officials who control the utilities.
- In addition to local control, there is already the option of PSC oversight. Any person or business can petition the PSC to review matters if they believe that rates are unreasonable or unnecessary.
- PSC review of rates is a time consuming and expensive process for local utilities. It requires retaining accountants, attorneys and engineers and formal contested hearings before the PSC.

In short, PSC review adds an expensive and unnecessary step for local utilities and takes control of local decisions away from local officials. Substantively, the reasons that costs have increased has been related to DNR requirements on TMDLs and stormwater management, as well as the need to control flooding events to protect homes, businesses, and infrastructure.



**RESOLUTION
OPPOSING LEGISLATION THAT WOULD SUBJECT
MUNICIPAL STORM WATER UTILITIES
TO REGULATION BY THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

WHEREAS, the City of Two Rivers established a municipal storm water utility in August of 2014, following considerable public input and deliberation by the City Council; and

WHEREAS, that utility has provided an important, dedicated funding source for storm water infrastructure investments necessary to comply with Federal and State storm water regulations and for routine replacement of existing storm water facilities in conjunction with street reconstruction projects throughout the City; and

WHEREAS, the Storm Water Utility has been managed responsibly by the City, with minimal administrative costs and with no change in the utility’s fee structure since its inception over nine years ago; the fee was and still is \$5.75 per month per equivalent residential unit; and

WHEREAS, our city recently learned about the introduction of a bill in the Wisconsin Legislature—identified as Senate Bill 455 and Assembly Bill 457—that would subject such local storm water utilities to the full authority of the Public Service Commission to regulate rates and services; and

WHEREAS, such regulation is not necessary, has the potential to be both costly and time-consuming, and would unduly interfere with local control, by locally-elected governmental bodies, over this local infrastructure funding tool authorized by State Statute;

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Two Rivers does hereby join with the Wisconsin League of Municipalities and other local governments across the state in opposing any legislation that would impose such a regulatory burden on locally-created and administered storm water utilities; and

BE IT FURTHER RESOLVED that the City Council hereby directs the City Manager to send copies of this resolution to State Senator Andre Jacque, to State Representative Shae Sortwell and to Wisconsin Governor Tony Evers, advising them of our position on this issue.

Adopted this 6th day of November, 2023.

Councilmember

Gregory E. Buckley, City Manager



CITY COUNCIL MEETING

Monday, October 16, 2023 at 6:00 PM

Council Chambers - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241

MINUTES

1. CALL TO ORDER

Council President Wachowski called the meeting to order at 6:00 PM.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL BY CITY CLERK

Councilmembers: Jeff Dahlke, Bill LeClair, Darla LeClair, Tracey Koach, Tim Petri, Bonnie Shimulunas, Scott Stechmesser, Adam Wachowski

ALSO PRESENT: Andrew Sukowaty, Water Utility Director; Matthew Heckenlaible, Director of Public Works; Mike Mathis, Parks & Recreation Director; Ben Meinnert, Police Chief, Dave Murack, Fire Chief; Jeff Dawson, Library Director; Brian Dellemann, Electric Utility Director; Dave Buss, Finance Director; Ben Meinnert, Police Chief; Elizabeth Runge, Community Development Director Rick Powell, IT Supervisor; and Greg Buckley, City Manager.

4. CONSIDERATION OF ANY COUNCIL MEMBER REQUESTS TO PARTICIPATE IN THIS MEETING FROM A REMOTE LOCATION

None.

5. PUBLIC HEARING

A. Conditional Use Permit, Operation of a Drive-Through Accessing 15th Street, at 1509 Washington Street, submitted by David Church, Applicant, and Owner

Recommended Action:

Motion to approve the Conditional Use Permit, as recommended by the Plan Commission

City Manager Greg Buckley provided background on the ordinance amendment.

The public hearing was opened by Council President Wachowski and three calls for public input were made. There was no one present and wishing to comment on the ordinance.

Motion carried upon a roll call vote.

Motion made by Dahlke, seconded by B. LeClair.

Voting Yea: Dahlke, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski.

Voting no: Koach.

6. INPUT FROM THE PUBLIC

None.

7. COUNCIL COMMUNICATIONS

Letters and other communications from citizens:

Councilmember Dahlke had the following communications:

- He stated he received a certified letter regarding the wind tower located in the industrial park.

- He received a question regarding an update on Spectrum. City Manager Greg Buckley responded he has not received a definitive answer on the status of the project.
- He received a question regarding the cleanliness of 34th Street Laundromat.
- He received a question asking what the City's Bond rating is. Dave Buss, Finance Director will provide this information.

Councilmember Petri had the following communications:

- He received a question regarding zoning usage at the old Kingdom Hall building on 45th Street. Community Development Director Elizabeth Runge responded that a letter has been sent to the property owner to stop advertising outdoor storage in violation of the Zoning Code. The Zoning Officer will follow-up with the resident phone call regarding this question.
- He received a concern that the park near the library has broken swings. Mike Mathis, Park & Recreation Director, stated that he will have his staff inspect and repair the swings.

8. COUNCIL REPORTS FROM BOARDS/COMMISSIONS/COMMITTEES

Councilmember D. LeClair reported on the following boards:

- Environmental Advisory Board: The Board is concentrating on scheduling the Winter Educational Series; on October 5th, Electric Utility Director Brian Dellemann and Brady Steinhoff, representative from Focus on Energy, discussed renewable energy resources. On November 2nd, Parks & Recreation Director Mike Mathis will be presenting on creating resilient parks and creating fun within the parks. There will not be a presentation in December but the series will resume in January, February, March, and April 2024.
- Main Street Board: The Fall Wine and Beer Walk is on October 27, 2023 from 5 PM – 8:30 PM. Downtown Trick or Treat is on Saturday October 28, 2023 from 11 AM – 2 PM. The Two Rivers Hometown Christmas Parade of Lights is quickly approaching, if interested in participating, an application can be picked up from Main Street along with the requirements.

Councilmember Dahlke reported on the Finance and Personnel Committee: The Committee has reviewed the preliminary numbers from the City Manager on the special revenue funds. The next meeting is scheduled for Thursday, October 19th and everyone is welcome to attend the meeting at 6:00 PM.

Councilmember Wachowski reported that the Advisory Recreation Board has reviewed the online questions for the open space plan survey which will be out soon. He stated the new playground at Neshotah Beach is open and the board discussed the ice-skating rink and skate rentals.

9. CITY MANAGER'S REPORT

- A. Invited Guests
 - 1. Benjamin Dax, Public Works Maintenance Worker
Director of Public Works Matt Heckenlaible introduced Public Works Maintenance Worker Benjamin Dax to the Council.
- B. Status Update/Reports
 - 1. Staffing Updates
Mr. Buckley reported on the ongoing recruitments: Building Inspector: Accepting / Reviewing Applications. Police Secretary – Evidence Custodian: Interviews Underway. Community House Receptionist: Interviews Completed. Recreation Clerk: Interviews Completed. Tourism

Director: upcoming.

2. Employee Recognition

Mr. Buckley asked for Andrew Sukowaty, Water Director and Brian Dellemann, Electric Director to provide details on recent employee awards.

a. Public Works Mechanic Kris Wondrash: AWWA 2023 Gimmicks and Gadgets Award, Kris salvaged the Water Utility's valve turner from old truck 22 and retrofitted it to be easily placed in and out of the new leased trucks. Kris's ingenuity on this project was recognized by the WI Section of the American Water Works Association, which awarded him the 2023 AWWA Gimmicks and Gadgets Award.

b. Utilities Administrative Assistant Gina Sampe, WPPI Shining Star Award, presented at WPPI Annual Meeting.

3. Leaf Collection Underway; Continues Through November

Mr. Buckley reported leaf pick up is scheduled to begin October 16. New for 2023 the City is split between 14 sections, crews will continue working through the City on an area by area basis. Areas will be selected based upon quantity of leaves and area updates will be posted on the City website and social media.

4. Neshotah Park Playground Project

a. Project Completion Status

Mr. Buckley shared a Parks and Recreation announcement that the fences are down, the swings are hung, and the slides are fast. The NEW Neshotah Park playground is open! The Wang Family was the first to stop in just as the fence came down..

b. Dedication Event: Rescheduled to October 22, Noon to 2:00 PM

Mr. Buckley reported the rescheduled dedication is on Sunday, October 22, 12:00 noon to 2:00 PM. Free cider and donuts. Cool City Brewing Company on-site serving coffee drinks, with all proceeds to support continued park improvements.

5. East River Street Trail Extension

Mr. Buckley reported that the new segment of the East River Street Bike Trail is complete and open to pedestrian traffic, with plans to extend it to connect to the Washington Street Bridge in 2024.

6. East Side Water Tower Maintenance and Painting

Mr. Buckley reported the crews from Utility Service Company have been performing maintenance work on the east side water tower on Picnic Hill for the past month. The tower has been drained down and the interior inspected, sandblasted and re-coated. They worked hard to beat the weather, crews from Utility Service performed touch-up work on the water tower's exterior and applied the City's name and logo.

7. Two Rivers Rotary Applefest Was Saturday, October 14

Mr. Buckley congratulated and thanked Rotary Club of Two Rivers and all the volunteers and sponsors of the event. Applefest 2023 was a great success.

8. Upcoming Events:

a. Senior Health & Information Fair, Wednesday, October 18, 10:00 AM - Noon, Rocheleau Gym

b. Main Street Fall Wine & Beer Walk, Friday, October 27, 5:00 - 8:30 PM, Downtown Two Rivers

c. Main Street Downtown Trick-or-Treating, Saturday, October 28, 11:00 AM - 2:00 PM

d. Halloween Trick-or-Treat, Tuesday, October 31, 4:30 - 7:00 PM, Two Rivers Neighborhoods

9. Other

Mr. Buckley shared a photo of a flash from the past: Two Rivers City Council, City Manager, City Clerk and City Attorney from 1925.

Mr. Buckley reported the Two Rivers Senior Center along with sponsors will be serving a Community Thanksgiving Meal Thursday, November 23, 2023. If you are interested in volunteering, please call 920-793-5597.

Mr. Buckley reported the park restrooms will be closed for the season after October 23, 2023.

C. Legislative/Intergovernmental Update-None.

10. CONSENT AGENDA

A. Presentation of Minutes

1. City Council, October 2, 2023

Recommended Action:

Motion to waive reading and adopt the minutes

B. Minutes of Meetings

- 1. Lester Public Library, September 12, 2023
- 2. Advisory Recreation Board, September 13, 2023
- 3. Public Utilities Committee, October 3, 2023
- 4. Public Works Committee, October 2, 2023
- 5. Personnel & Finance Committee, September 28, 2023
- 6. Board of Review, September 28, 2023
- 7. Environmental Advisory Board, September 19, 2023

Recommended Action:

Motion to receive and file

C. Department Reports, September, 2023

- 1. City Clerk
- 2. Community Development
- 3. Electric
- 4. Fire
- 5. Inspections
- 6. Library
- 7. Parks & Recreation
- 8. Police
- 9. Public Works
- 10. Safety
- 11. Water

Recommended Action:

Motion to receive and file

D. Finance Reports, September, 2023

- 1. Debt Service
- 2. General Fund
- 3. Lester Library
- 4. Utilities Report

Recommended Action:

Motion to receive and file

- E. Applications and Petitions
 - 1. Application for Combination "Class A"/Class"A" License from Family Dollar Stores of Wisconsin LLC located at 1909 Washington Street
Recommended Action:
 Motion to approve the application and authorize issuance of the license
- F. Summary of Verified Bills for the Month of September 2023 for \$2,347,470.60
Recommended Action:
 Motion to receive and file
- G. Zoning Text Ordinance Amendment Regarding Permitted Roofing Materials in Section 10-1-20 of the Zoning Code
Recommended Action:
 Motion to schedule a public hearing for November 6, 2023 at 6:00 PM, as recommended by the Plan Commission meeting on September 11, 2023

RECOMMENDED ACTION FOR CONSENT AGENDA
Motion to approve the Consent Agenda with the various actions recommended
 Motion carried with a voice vote.

Motion made by Stechmesser, seconded by D. LeClair
 Voting Yea: Dahlke, Koach, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski.

11. CITY COUNCIL - FORMAL ITEMS

- A. Resolution adopting Amendment No. 1 to the Project Plan for Tax Incremental District 14 at the Woodland Industrial Park
Recommended Action:
 Motion to waive reading and adopt the resolution
 Motion carried with a roll call vote.

 Motion made by B. LeClair, seconded by Dahlke.
 Voting Yea: Dahlke, Koach, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski
- B. Consideration of Three-Year Renewal of Agreement, for Calendar Years 2024-2026, With the Lakeshore Humane Society and the City of Manitowoc, Providing for the Housing and Care of Stray Animals From the Two Cities
Recommended Action:
 Motion to authorize the City Manager to sign the agreement on behalf of the City
 Motion carried with voice vote.

 Motion made by D. LeClair, seconded by Dahlke.
 Voting Yea: Dahlke, Koach, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski.

Moved agenda item **14.FOR INFORMATION ONLY** before going into closed session.
 1. Personnel and Finance Committee-Budget Review, Thursday, October 19 and 26, 2023
 2. City Council Work Session Meeting, Monday, October 30, 2023, 6:00 PM
 3. City Council Regular Meeting, Monday, November 6, 2023, 6:00 PM

12. CLOSED SESSION
 The City Council reserves the right to enter into Closed Session, per Wisc. Stats 19.85(1)(e) deliberating or negotiating the purchasing of public properties, the investment of public funds, or

conducting other specified public business, whenever competitive or bargaining reason re closed session.

--Consider possible City assistance to development project

Motion carried with a roll call vote.

Motion made by Stechmesser, seconded by Dahlke to convene in closed session at 6:59 PM.
Voting Yea: Dahlke, Koach, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski.

13. RECONVENE IN OPEN SESSION

To consider possible actions in follow up to closed session discussions.

Motion carried with a voice vote.

Motion made by Dahlke, seconded by D. LeClair to reconvene in open session at 7:08 PM.
Voting Yea: Dahlke, Koach, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski.

15. ADJOURNMENT

Motion to dispense with the reading of the minutes of this meeting and adjourn this meeting at 7:08 PM.

Motion carried with a voice vote.

Motion made by Dahlke, seconded by B. LeClair.
Voting Yea: Dahlke, Koach, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski

Respectfully submitted,

Lisa Kuehn
Deputy City Clerk

**CITY OF TWO RIVERS CITY COUNCIL
PERSONNEL AND FINANCE COMMITTEE
Thursday, October 12, 2023
6:00 PM
City Council Chambers – City Hall**

Call to Order

The meeting was called to order by Committee Chairman Dahlke at 6:02 PM

Roll Call

Committee Members present were Jeff Dahlke, Bonnie Shimulunas, and Adam Wachowski. Staff present: City Manager Greg Buckley.

2024 Budget Review

City Manager Buckley reviewed budgets for the various special revenue funds with the committee, with the exception of the TID funds, which were reviewed at the October 5 meeting. These budgets included:

- Fund 202, Sandy Bay Highlands
- Fund 205, Housing Loan Fund
- Fund 207, Affordable Housing
- Fund 258, Community Tourism (info. only; jurisdiction of Room Tax Commission)
- Fund 259, Tourism Development (info. only; jurisdiction of Room Tax Commission)
- Fund 290, Economic Development Loan Fund
- Fund 417, Industrial Park Development
- Fund 218, Docks and Harbors
- Fund 250, Senior Center
- Fund 260, Urban Forestry
- Fund 262, Special Events Donations
- Fund 263, Tree Planting

The City Manager noted that Community Development Director Elizabeth Runge will be reviewing the budget for Fund 291, Community Development, as a future meeting, and Parks and Rec Director Mike Mathis will re-visit the budgets for funds 218, 250, 260, 262 and 263 when he presents the Parks and Rec operating budget at a future meeting.

There was no action taken at this meeting.

Date and Time for Next Meeting

The next meeting of the Personnel and Finance Committee will be Thursday, October 19, 2023 at 6:00 PM. That meeting will be the first of two dedicated to review of the 2024 General fund Budget.

Adjournment

There being no further business to come before the committee, Chairman Dahlke declared the meeting adjourned at 7:35 PM.

Respectfully Submitted,

Gregory E. Buckley
City Manager

**CITY OF TWO RIVERS CITY COUNCIL
PERSONNEL AND FINANCE COMMITTEE
Thursday, October 19, 2023
6:00 PM
City Council Chambers – City Hall**

Section 9, Item B.

Call to Order

The meeting was called to order by Committee Chairman Dahlke at 6:01 PM

Roll Call

Committee Members present were Jeff Dahlke, Bonnie Shimulunas, and Adam Wachowski. Members of City Staff present were Gregory Buckley, City Manager; Matt Heckenlaible, City Engineer; Ben Meinnert, Police Chief; Dave Murack, Fire Chief; and David Buss, Finance Director. Also present was Scott Steckmesser, City Council Member.

2024 Budget Review

City Manager Buckley presented an overview of the General Fund Budget and Highlights. The budget as presented will not increase the General Fund tax levy for 2024. State Shared Revenue will increase \$848,105 in 2024, which is the major reason for a 6.68 percent increase in General Fund Revenues. Expense also increased by 6.68 percent, impacted by negotiated wage increases for the Police and Fire unions, a 3 percent cost of living increases to non-union workers, a 15 percent increase in health insurance premiums, increased employer contribution rates in Wisconsin Retirement, and increased premiums in liability, vehicle, and property insurance coverage. The budget adds two positions: one Public Works Maintenance Worker and one GIS Mapping position.

Chief Meinnert presented the details of the Police Department budget. The budget increases Police spending by \$284,293, or 8.42%. There are no increases in Police staffing included in this budget. The budget increases are impacted by the negotiated wage increase with Police Union, health insurance premium increases, the cost of various services, and increases in Wisconsin Retirement. Chief Meinnert also presented some goals for the department, including community involvement by department employees, updating policy manuals and records retention schedules, improved recruitment and retention efforts, and staff development. Chief Meinnert also reviewed the \$175,500 in proposed Police Capital purchases, including vehicle and equipment purchases.

Chief Murack reviewed the organizational chart and the budget for the Fire Department. The budgeted fire expenditures for 2024 reflect an increase of \$127,750, or 4.67 percent. The budget increases are impacted by the negotiated wage increase with Fire Union, health insurance premium increases, the cost of various services, and increases in Wisconsin Retirement. Chief Murack also covered the plan for Capital purchases and goals and tasks for future years.

City Engineer Heckenlaible reviewed the Public Works organizational chart and budgets which, in total, are up \$138,713, or 8.48 percent. The budget includes adding a Public Works Maintenance Worker and a GIS Technician position. As with other departments the budgets are impacted by health insurance increases and Wisconsin Retirement, as well as a 3 percent cost of living increase on employee wages. City Engineer Heckenlaible also reviewed the Capital Improvement Plan for Streets, Public Works Equipment, and the Landfill.

No action was taken on any of the budgets presented.

Date and Time for Next Meeting

The next meeting of the Personnel and Finance Committee will be Thursday, October 26, 2023 at 6:00 PM.

Adjournment

Motion was made by Shimulunas, seconded by Wachowski, to adjourn the meeting at 9:01 PM. Motion carried.

Respectfully Submitted,



David Buss, Finance Director

**CITY OF TWO RIVERS CITY COUNCIL
PERSONNEL AND FINANCE COMMITTEE
Thursday, October 26, 2023
6:00 PM
City Council Chambers – City Hall**

Call to Order

The meeting was called to order by Committee Chairman Dahlke at 6:01 PM

Roll Call

Committee Members present were Jeff Dahlke, Bonnie Shimulunas, and Adam Wachowski. Members of City Staff present were Gregory Buckley, City Manager; Mike Mathis, Parks & Recreation Director; Elizabeth Runge, Community Development Director; and David Buss, Finance Director.

2024 Budget Review

Finance Director Buss presented the General Government and Other Financing Uses budgets for 2024. General Government is budgeted to increase 6.87% from the 2023 budget, mainly driven by increases in liability, property, and fleet insurance premium increases; as well as increases to cover multiple elections in 2024. Other budgets in this area are impacted by the 3% cost of living increase, the 15% increase in Health Insurance costs, and increases in supply costs and other services. Other Financing Uses are budgeted to increase 6.99% from the 2023 budget, due to increases in the cost of Retiree Health Insurance and the transfer to the Information Systems Capital Account for network and information system upgrades.

Parks & Recreation Director Mathis presented budgets for the Health & Human Services and Culture, Recreation, and Education portions of the 2024 budget. Health & Human Services is budgeted to increase 10.08%, or \$38,228, and Culture, Recreation, and Education is budgeted to increase 8.51%, or \$106,406. Throughout these budgets is an effort to increase the pay rate for part-time and seasonal employees as an effort to attract reliable workers. Director Mathis also covered Capital Project and Special Revenue Funds related to the Parks & Recreation Department. The committee discussed various aspects of the budgets and plans for the upcoming projects.

Community Development Director Runge presented the budget for the Community Development Special Revenue Fund (Fund 291). This fund includes funding for one fifth of the proposed GIS Technician position. There is no increase budgeted in revenues and expenses are budgeted to increase 1.99%, or \$3,226. This budget is funded through a \$65,000 transfer from the Industrial Development Fund and a \$75,000 from the Business & Industrial Revolving Loan Fund.

City Manager Buckley provided a brief wrap up overview of Capital Project Funds and Special Revenue funds.

No action was taken on any of the budgets presented.

Date and Time for Next Meeting

The next meeting of the Personnel and Finance Committee will be a joint meeting with the Public Utilities Committee on Thursday, November 3, 2023 at 6:00 PM.

Adjournment

Motion was made by Shimulunas, seconded by Wachowski, to adjourn the meeting at 9:04 PM. Motion carried.

Respectfully Submitted,



David Buss, Finance Director

**CITY OF TWO RIVERS CITY COUNCIL
JOINT MEETING OF THE UTILITIES COMMITTEE AND
PERSONNEL AND FINANCE COMMITTEE
Thursday, November 2, 2023
6:00 PM
City Council Chambers – City Hall**

Call to Order

The meeting was called to order by Committee Chairman Dahlke at 6:04 PM

Roll Call

Personnel & Finance Committee Members present were Jeff Dahlke, Bonnie Shimulunas, and Adam Wachowski. Utility Committee Members present were Darla LeClair and Jeff Dahlke. Utility Committee Member Tim Petri was absent. Members of City Staff present were Gregory Buckley, City Manager; Matt Heckenlaible, City Engineer; Andrew Sukowaty, Water Director; Brian Dellemann, Electric Director; Scott Ahl, Assistant City Engineer; Dave Casebeer, Wastewater Utility Superintendent; and David Buss, Finance Director.

2024 Budget Review

Electric Utility Director Dellemann presented the Electric Budget for 2024. This budget includes a wage rate increase for all Electric Utility employees to remain competitive with other area utilities in the area. Budgeted revenues and the related purchased power expense are projected to decrease due to the decrease in the PCAC (Power Cost Adjustment Clause) from increased cost that were experienced in 2022. Various aspects and line items of the budget were discussed. Motion made by Shimulunas, second by Wachowski, to recommend this budget with amendment of the wage increase to be 4% for employees with post-retirement health insurance benefit and 6% for employees without post-retirement health insurance benefit instead of 8% to the City Council. Motion carried 2-1. Public Utilities Committee made the identical motion by Dahlke, second by LeClair. Motion vote was 1-1.

Electric Utility Director Dellemann continued with the Telecommunications budget. Expenses are budgeted to increase to cover the cost of City Wi-Fi Hot Spot downtown and at Neshotah Beach. Motion to approve the budget as recommended by Wachowski, second by Shimulunas. Motion carried. Public Utilities Committee made the identical motion by Dahlke, second by LeClair. Motion carried.

Water Utility Director Sukowaty presented the Water Utility budget. The budget reflects a 6.75% increase in revenues and a 4.14% increase in expenses. The committee discussed the performance of the filtration modules and other aspects of budget. The impact of funding of the GIS employee position was discussed at length. Motion to approve the budget with the elimination of the GIS employee by Wachowski, second by Dahlke. Motion carried, 2-1. Public Utilities Committee made the identical motion by Dahlke, second by LeClair. Motion carried.

City Engineer Heckenlaible presented the Wastewater Utility budget, which includes a 4% revenue rate increase. Operating expenses are budgeted to increase 4.73% over the 2023 budget. The committee discussed various operating issues and goals for the utility, including the impact of the GIS employee position on this utility. Motion to approve the budget with the elimination of the GIS employee by Wachowski, second by Dahlke. Motion carried, 2-1. Public Utilities Committee made the identical motion by Dahlke, second by LeClair. Motion carried.

City Engineer Heckenlaible also presented the Stormwater Utility budget, which includes a 52.29% increase in operating expenses, mainly driven by the shifting of Street Sweeping activities from the Solid Waste Utility to the Stormwater Utility and the funding of a portion of the GIS employee position. The committee discussed the budget and various activities of the utility and potential upcoming projects and equipment needs. Motion to approve the budget with the elimination of the GIS employee by Wachowski, second by Dahlke. Motion carried, 2-1. Public Utilities Committee made the identical motion by Dahlke, second by LeClair. Motion carried.

City Engineer Heckenlaible also presented the Solid Waste Utility, which includes a budgeted increase in the Environmental Fee charge from \$7 per month to \$8 per month. This would result in a 5.24% increase in budgeted revenues. Expenses are budgeted to decrease 1.58%, driven mainly by the removal of the Street Sweeping

activity from this utility. Various aspects of the budget were discussed by committee members, including and cons of increasing the garbage sticker fees versus the environmental fee. Motion to approve the budget, with a shift of the revenue increase to be on the garbage sticker fee (from \$2.50 to \$3.00) instead of the environmental fee by Wachowski, second by Dahlke. Motion carried. Public Utilities Committee made the identical motion by Dahlke, second by LeClair. Motion carried.

Date and Time for Next Meeting

The next meeting of the Personnel and Finance Committee will be Thursday, November 9, 2023 at 6:00 PM.

Adjournment

Motion was made by Wachowski, seconded by Shimulunas, to adjourn the meeting at 10:06 PM. Motion carried. Public Utilities Committee made the identical motion by Dahlke, second by LeClair. Motion carried.

Respectfully Submitted,



David Buss, Finance Director



**TWO
RIVERS**
WISCONSIN

**JOINT MEETING EXPLORE TWO RIVERS MEETING OF
THE BOARD OF DIRECTORS AND ROOM TAX
COMMISSION**

Section 9, Item B.

Tuesday, October 24, 2023 at 6:00 PM
Woodland Dunes, 300 Hawthorne Ave,
Two Rivers, WI 54241

MINUTES

1. CALL TO ORDER

Explore Two Rivers Board of Directors Chairperson Joy Krieger called the meeting to order at 6:00 PM.

Room Tax Commissioner Rick Carey called the meeting to order at 6:00 PM.

2. ROLL CALL

Explore Two Rivers Board Members Present: Rick Carey, Jeff Dawson, Brenda Koprowski, Gina Krahn, Joy Krieger, Mike Mathis, Nancy Nabak, Tonya Prosser, John Wyrostek. Absent and excused: Laura Prellwitz. (1 vacancy at this time)

Room Tax Commission Members Present: Greg Buckley, Rick Carey, Peter Crabbe, Bill LeClair. Absent and excused: Curt Andrews

3. MESSAGE FROM THE CHAIR, JOY KRIEGER

Chair of the Board of Directors, Joy Krieger thanked everyone for attending the evenings special ETR meeting. She stated “that the recent loss of our explore director made it become apparent that our board of directors was left in a state of limbo. The board needed clarity in areas of responsibility, delineation of roles and a clearer chain of command. Transparency to foster trust and communication would be the clear path forward. Explore Two Rivers is a newly formed 501c(6) nonprofit and she feels confident that with additional information and open dialogue it will be back on track shortly. The board will have a stronger understanding of the organization and the collaboration that exists allowing the board to fulfill their role as anticipated when they were nominated to serve. We all deserve a do over, so I declare this our Mulligan moment!”

4. REPORT ON TOURISM DIRECTOR POSITION VACANCY-CITY MANAGER GREG BUCKLEY AND COMMUNITY DEVELOPMENT DIRECTOR ELIZABETH RUNGE

Mr. Buckley reported that Effective October 13, 2023, Brian Dean is no longer serving in the position of Tourism Director. His supervisor, Community Development Director Elizabeth Runge, is working with the City Manager to prepare an updated job listing which will be released this week, requesting applications by Monday, November 20, 2023.

Two representatives, each from the Room Tax Commission and the Board of Directors of Explore Two Rivers, Inc., will be invited to participate in the initial screening of applicants and in interviews. While the hiring authority for the position is vested in the City Manager, input from those Room Tax Commission (RTC) and Explore Two Rivers, Inc. (ETR) representatives will be carefully considered.

Intent is to have a new director on board as soon as possible; exact schedule hard to say, with the holiday season almost upon us. In the meantime, the core responsibilities of the position are being picked up by other City staff in the Community Development Office and City Manager’s Office.

Examples: 2024 Visitor Guide marketing, Wisconsin Tourism Directory ad, digital billboard northbound I-43, Two Minutes with Two Rivers.

The RTC directs spending of Room Tax monies. The RTC is Curt Andrews, Chair, Cool City Brewing Company; Rick Carey, Vice Chair, Two Rivers Hotel Group/Cobblestone; Bill LeClair, City Council Rep.; Peter Crabbe, Hamilton Wood Type and Printing Museum; and Greg Buckley, City Manager. The Room Tax Commission contracts with various organizations for tourism development and marketing:

- City of Two Rivers for Tourism Director, a city employee who provides staff support to Explore Two Rivers, Inc.
- Two Rivers Main Street, for visitor information services at Main Street’s Downtown Office
- Two Rivers Historical Society, for visitor information services at Washington House
- Explore Two Rivers, Inc., for development and implementation of marketing and outreach activities.

5. STATUS REPORT ON 2023 TOURISM BUDGET FOR THE CITY—CITY MANAGER GREG BUCKLEY

Mr. Buckley reported the Room Tax Revenue was conservatively budgeted at \$270,000; projected to be \$300,000. Out of that \$300,000, \$90,000 is retained by the City for municipal purposes, as allowed by State Statute. Spending by the RTC for Tourism Promotion and Tourism Development activities was budgeted at \$241,346; actual spending is projected at \$204,813, for a projected year-end operating surplus of \$23,947. This will increase the fund balance in the Community Tourism Fund under the Room Tax Commission’s control to about \$145,000.

6. REPORT ON PROPOSED 2024 BUDGET FOR USE OF ROOM TAX FUNDS, TO BE PRESENTED TO ROOM TAX COMMISSION ON NOVEMBER 1, 2023 MEETING, INCLUDING FUNDS TO BE BUDGETED FOR TOURISM MARKETING AND DEVELOPMENT ACTIVITIES BY EXPLORE TWO RIVERS, INC.

Mr. Buckley summarized the 2024 draft Room Tax Budget:

<u>Annual Room Tax Revenue</u>	\$300,000
Less: 30% Retained by City for Municipal Uses	(90,000)
<u>Available for Tourism Activities</u>	\$210,000
Cost of Director, Wages & Benefits (Room Tax Commission Contracts with City)	(100,000)
<u>Room Tax Commission Funding Commitments:</u>	(40,000)
Visitor Info. Services by Main Street (\$12,000), Washington House (\$3,000), Memorial Drive Wayside Maint. by City (\$25,000)	
<u>Balance Available for Marketing & Outreach</u>	\$70,000
Activities of Explore Two Rivers, Inc.	

7. DISCUSS FRAMEWORK FOR EXPLORE TWO RIVERS, INC., RELATIONSHIP TO ROOM TAX COMMISSION AND CITY, BY-LAWS

Mr. Buckley discussed the RTC and City Staff anticipate that key provisions of an agreement

between the RTC and ETR will include:

-A clear statement that the RTC is providing room tax funds to ETR for purposes of developing and carrying out a tourism marketing and development plan for the community, with an overall goal of increasing overnight stays and increasing the economic impact of tourism in the City of Two Rivers.

-A requirement that, as a condition of receiving this funding, ETR prepare and present an annual work plan and budget for approval by the RTC. (Anticipate the work plan and budget will be presented and discussed at a joint meeting of two bodies.) Also anticipate providing for one additional joint meeting, at mid-year, to review status of work plan implementation and discuss the overall “state of tourism” in Two Rivers.

-Provision that, to assist ETR in developing and executing its annual work plan, the RTC is funding the position of Tourism Director, a City of Two Rivers employee responsible for providing staff support to ETR.

-Provision that, following approval of the annual work plan by the RTC, the funds to be provided by the RTC will be deposited into an account controlled by ETR and that ETR is authorized to expend those funds for activities consistent with its approved work plan and budget.

-Provision that the City of Two Rivers will be fiscal agent for ETR, and as such will hold the room tax funds made available for ETR’s use in a separate fund, will provide ETR with monthly financial statements for that fund, and will handle all accounts payable and accounts receivable processing for that fund.

-Recognition that ETR may pursue grants, donations and other non-room tax revenue for uses that are consistent with its mission of tourism marketing and development for Two Rivers.

8. DISCUSS PATH FORWARD, NOW THROUGH 2023 YEAR-END

Mr. Buckley suggested the RTC will meet on November 1; agenda includes consideration of budget for use of room tax monies in 2024, begin discussion of contract with ETR. The ETR Marketing Committee will begin work on 2024 work plan—may not be finalized until early 2024, depending on Director availability. The ETR Executive Committee will receive and review the proposed contract with RTC. The ETR November Board meeting will be the annual meeting as required by the by-laws, to include election of officers (November 14?), other business to include update on Tourism Director Recruitment. ETR December Board meeting will include consideration of contract with RTC; update on Tourism Director recruitment/hiring.

9. NEXT MEETING DATE

Explore Two Rivers Annual Meeting, Tuesday, November 14, 2023, 7:30 PM, City Hall

10. ADJOURNMENT at 6:20 pm.



TWO RIVERS
WISCONSIN

ENVIRONMENTAL ADVISORY BOARD MEETING

Tuesday, October 17, 2023, at 5:30 PM

Council Chambers - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241

MINUTES

1. **CALL TO ORDER:** 5:30 pm

2. **ROLL CALL**

Board Members Present: Darla LeClair, Tracey Koach, Jay Orvis, Douglas Brandt, Shannon Derby, Corinne Weis, Donald DeBruyn

Excused: Jake Glaeser

Staff: Matthew Heckenlaible, Scott Ahl

3. **REVIEW AND APPROVAL OF MINUTES**

Minutes from the September 19, 2023, Environmental Advisory Board Meeting

Donald DeBruyn made a motion to approve the September 19, 2023, Environmental Advisory Board meeting minutes, seconded by Corinne Weis. Motion carried.

4. **PUBLIC INPUT** – None

5. **ITEMS FOR DISCUSSION AND ACTION**

A. Review & modify EAB mission statement and objectives

There was a discussion by the Board with the conclusion of keeping the name simple, ‘Environmental Advisory Board’ (EAB) and to strike language about pursuing funding opportunities and specific language pertaining to extreme weather events, Lake Michigan water level fluctuations and other statements pertaining to costs.

The Board wants to see a cleaned up copy of the Mission Statement at the next meeting and then take further action as deemed appropriate.

6. **ONGOING PROJECTS**

A. Front Yard Vegetable Garden update

Darla LeClair stated that Front Yard Vegetable Gardens (FYVG) were approved for 2024. Darla has been in contact with the Two Rivers School Superintendent, Diane Johnson, and the schools will do a competition for creating a ‘new’ FYVG yard sign for 2024. Darla stated that she hopes that it will be completed early this winter so that it is ready for the growing season. She will reach out to Diane to confirm the timeline.

Doug Brandt had inquired about the raised vegetable gardens at LB Clarke Middle School whether or not they are compliant or will be allowed due to the remodeling that is proposed to take place there. The response provided back was that it would all depend upon where they were located post building construction.

Darla stated that in 2023 she had some agreements with some local businesses to help promote and offer discounts towards the FYVG program. She will attempt to reach back out to these and other businesses for participation in 2024. She is also looking for additional outreach ideas for promoting the FYVG program.

B. Winter Educational Series

1. 2023 Series Dates:

Darla LeClair provided a recap of the October 5th, 2023, presentation on Benefits of Renewable Resources and Energy Conservation. She also stated that people should check out the Focus on Energy website for free energy conservation materials.

November 2nd – Creating Fun and Resilient Parks, by Mike Mathis, Two Rivers Park Director

2. 2024 Series Dates:

- * January 4th - Invasive Species in flora and fauna
- * February 1st - Local Eco-Systems
- * March 7th - Local Stormwater Management, Two Rivers Engineering Staff
- * April 4th - Climate Change, WPPI
- * May 7th – Recycling, Manitowoc County – what can be recycled, where and where does it go from there including yard waste (DPW to coordinate with the County)

C. Sandy Bay Highlands – update

Matthew Heckenlaible stated that an updated layout with modeled stormwater features and revised lot layout was submitted back to the City for review and comment. The proposal was affecting the lots by impacting usable yard spaces, especially in the side and backyards. Discussions were held with City Staff which generated questions and alternatives that were sent back to the Consultant for consideration. The Consultant provided additional follow up and will submit a preliminary plat to the City by the end of October.

7. OTHER ITEMS THAT MAY COME BEFORE THE BOARD, WITH CONSIDERATION AND ACTION, IF NEEDED

Corinne Weis inquired about the possibility of implementing “Bee Lawns” – low growing vegetation as an alternative to only turf grass within the roadway terrace area. Director Heckenlaible provided rationale as to why turf grass is the standard within the City’s Municipal Code with a primary factor being safety. Further discussion ensued around this topic. Director Heckenlaible stated that he would pull together “Terrace Use Policies” from other municipalities and see if he can gain the feel of other Department Heads and possible other Council Members as to their views of vegetation other than turf grass within the terrace area. This information could possibly be ready for the next meeting. Discussion also revolved around possibly doing a demonstration project within a turf

planted boulevard section. Director Heckenlaible stated that he may be open to that and would try and see what utilities may be impacted if that were to be done.

Director Heckenlaible stated that he received an email from the League of Municipalities about AB-457/SB-455 – Stormwater Utility Legislation subject of municipal stormwater utilities to the full authority of the Public Service Commission to regulate rates and services. The short version is that this would take away local control on how municipalities fund and administer their stormwater utilities which are necessary due to the unfunded mandate being placed upon municipalities by the EPA and WDNR to clean up stormwater runoff prior to discharging to waters of the State/U.S.

8. SET DATE, TIME, AND AGENDA ITEMS FOR NEXT BOARD MEETING

Suggested as Tuesday, November 21, 2023, at 5:30 pm

9. ADJOURNMENT: 6:59 pm

Donald DeBruyn made a motion to adjourn the meeting, seconded by Jay Orvis. Motion passed.

**CITY OF TWO RIVERS
Business Improvement District (BID) Board**

**Thursday, October 26, 2023
8:00 AM
Council Chambers, 3rd Floor – City Hall**

MINUTES

Call to Order

The meeting was called to order by City Manager Greg Buckley at 8:04 A.M.

Roll Call

Members Present: Tom Christensen, Bill Kiel, Amy MacMillan, Theresa Kronforst and Marv Moore. Members absent and excused: JoAnn Kouba and Jim VanLanen, Jr.

Also present were: Main Street Executive Director Jason Ring and City Manager Greg Buckley.

Mr. Buckley noted that a quorum was present.

Review 2024 BID Operating Plan./2024 Main Street Budget

Mr. Ring distributed a copy of Two Rivers Main Street’s 2022-2023 Annual Report and proposed 2024 Budget. He reviewed 2023 activities of Main Street’s three standing committees: Promotions & marketing, Economic Vitality, and Design. He also reviewed Main Street’s major 2023 Events, which were very successful and well attended.

Turning to the 2023 and 2024 budgets, Mr. Ring noted that 2023 revenues are meeting expectations. 2023 events to date have earned \$30,000 in net revenue, on gross revenue of \$70,000.

The proposed operating budget for Main Street in 2024 shows \$157,500 in revenues, \$146,185 in expenses, with projected net operating income of \$11,315.

It was noted that there were errors in the column for the 2023 Budget (November 2022 BID Board minutes show that budget at \$156,818); Mr. Ring stated that he would send the BID Board a corrected budget document, with the correct numbers for 2023 Budgeted.

As for the 2024 Budget, Mr. Ring noted that it anticipates continuation of a \$12,000 contract with the Two Rivers Room Tax Commission for visitor services provided at Main Street’s downtown office, and anticipates a funding request to the Room Tax Commission for \$5,500 to assist with Ethnic Fest event sponsorship.

The 2024 Main Street Budget also anticipates the downtown area Business Improvement District special tax rate in support of the Main Street Program to continue at the rate of \$2.00 per \$1,000 of assessed valuation, as in 2023.

Business Improvement District Board
October 26, 2023
Page 2

Following discussion, Mr. Kiel, supported by Ms. MacMillan, to approve an assessment rate of \$2.00 per thousand dollars of assessed valuation for the 2023 tax bills, to provide an estimated \$50,000 in support of the 2024 Two Rivers Main Street Work Plan and Budget with budgeted revenues of \$159,500, and to recommend approval of same by the City Council.

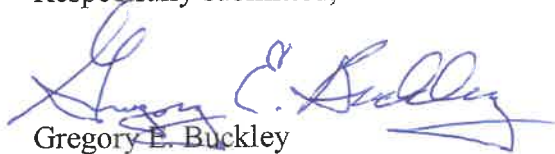
The motion setting the 2023 BID assessment rate and levy was approved unanimously, by voice vote.

Adjournment

Mr. Kiel moved, supported by Ms. Kronforst, to adjourn the meeting at 9:02 AM.

Upon voice vote, motion carried.

Respectfully submitted,



Gregory E. Buckley
City Manager

Two Rivers Main Street, Inc. Budget Draft 2024 2023 #'s January - August

	Total		
	Jan - Aug, 2023	2023 Budget	2024 Budget
Income			
BID Receipts	47,645.91	50,000.00	50,000.00
City Contribution	12,000.00	12,000.00	17,500.00
Gifts in Kind			
Product	-80.00		
Sponsorship	250.00		
Total Gifts in Kind	\$ 170.00	\$ 0.00	\$ 0.00
Grants	10,000.00	10,000.00	10,000.00
Non Profit Income			
Refund	-39.15		
Sales	3,560.75		8,000.00
Direct			
Entry fee	8,232.00	10,000.00	10,000.00
Food & Beverage	8,047.00	23,000.00	15,000.00
Membership		3,000.00	3,000.00
Raffle	200.00		
Website Advertising	-45.17		
Total Direct	\$ 16,433.83	\$ 36,000.00	\$ 28,000.00
Indirect Sales	160.00		
Craft Booth	3,000.00	3,000.00	4,000.00
Food Booth	5,800.00	4,800.00	7,000.00
Total Indirect Sales	\$ 8,960.00	\$ 7,800.00	\$ 11,000.00
Total Sales	\$ 28,954.58	\$ 43,800.00	\$ 39,000.00
Sales of Product Income	1,069.50	3,000.00	
Sponsorship	10,560.00	675.00	
Event Sponsorship	5,100.00		35,000.00
Trophy/plaques & awards	100.00		
Total Event Sponsorship	\$ 5,200.00	\$ 0.00	\$ 35,000.00
General Sponsorship			
General	1,500.00		
Major	16,000.00		
Total General Sponsorship	\$ 17,500.00	\$ 0.00	
Total Sponsorship	\$ 33,260.00	\$ 30,000.00	\$ 35,000.00
Arts	\$ 0.00	\$ 5,000.00	
Workshops	\$ 0.00	\$ 1,000.00	
Total Income	\$ 133,060.84	\$ 154,800.00	\$ 159,500.00
Cost of Goods Sold			
Cost of Goods Sold	1,019.00		2,000.00
Total Cost of Goods Sold	\$ 1,019.00	\$ 0.00	
Gross Profit	\$ 132,041.84	\$ 154,800.00	\$ 157,500.00

Expenses

Advertising				500.00
Advertising/Promotional				
Internet	69.00			
Print	50.00			
Total Advertising	\$ 119.00	\$ 1,500.00	\$ 500.00	
Communication	77.97			
internet	389.85			1,000.00
Telephone	35.20			
Total Communication	\$ 503.02	\$ 1,416.00	\$ 1,000.00	
Debt Service	295.16			
Debt Write-ff				
Dues & Subscriptions	1,562.40	2,249.88		2,000.00
Equipment purchases				
Event Entertainment	15,645.00	20,000.00		18,000.00
Event Expenses	6,437.20	7,000.00		7,000.00
Consumables	124.36	1,000.00		
Apparal		1,000.00		
Food & Beverage	5,397.34	6,000.00		6,000.00
Trophies/awards	932.37			1,000.00
Total Consumables	\$ 6,454.07	\$ 8,000.00	\$ 7,000.00	
Permits	30.00	300.00		100.00
Prizes				
Purchases	458.99			
Rental		4,000.00		
Total Event Expenses	\$ 13,380.26	\$ 19,300.00	\$ 14,100.00	
Grants Given	10,000.00			
Facade Grant	10,000.00	15,000.00		10,000.00
Sign Grant	168.50			1,000.00
Total Grants Given	\$ 20,168.50	\$ 15,000.00	\$ 11,000.00	
Insurance	1,556.34	1,400.00		1,600.00
Health	5,500.00	6,000.00		6,000.00
Liability		1,200.00		1,200.00
Workmans Comp	914.00	468.00		1,000.00
Total Insurance	\$ 7,970.34	\$ 9,068.00	\$ 9,800.00	
Interest expense	52.60			50.00
Meetings expense	40.00			500.00
Office Space Usage	5,317.61	10,000.00		10,000.00
Office Supplies & expenses	876.70	500.00		500.00
Payroll Expenses				
Taxes	4,213.12	4,000.00		5,500.00
Wages	41,671.97	55,000.00		65,000.00
Total Payroll Expenses	\$ 45,885.09	\$ 59,000.00		
Postage	25.20	150.00		100.00
Printing & Reproduction	200.00	1,500.00		500.00
Professional Fees				
Accounting				

Tax Return	490.00		925.00		925.00
Total Accounting	\$ 490.00	\$	925.00	\$	925.00
Legal	54.00				
Total Professional Fees	\$ 544.00	\$	925.00	\$	925.00
Purchases	3,762.50				4,000.00
Rent	2,549.56				
Square Fees	266.14				
Travel					500.00
Lodging					
Meals					
Mileage					
Total Travel	\$ 0.00	\$	0.00	\$	500.00
TRMS Rentals					
PO Box			210.00		210.00
Total TRMS Rentals	\$ 0.00	\$	210.00	\$	210.00
Uncategorized Expense	3,192.00				2,000.00
Arts	0.00		5,000.00		
Workshops			1,000.00		
Line of Crsdit Payback			10,000.00		
Total Expenses	\$ 122,355.08	\$	156,818.88	\$	146,185.00
Net Operating Income	\$ 9,686.76	-\$	2,018.88	\$	11,315.00
Other Expenses					
Adjustment			-2,765.20		
Total Other Expenses	\$ 0.00	-\$	2,765.20	\$	0.00
Net Other Income	\$ 0.00	\$	2,765.20	\$	0.00
Net Income	\$ 9,686.76	\$	746.32	\$	11,315.00

Wednesday, Sep 06, 2023 02:48:12 PM GMT-7 - Cash Basis

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/02/2023	134882	Prime Financial	Commitment to Community Interest Refu	660-21130	6/14/2023	9.41-
Total 134882:						9.41-
10/04/2023	135049	KONE CHICAGO	Maintenance 7/1/23-9/30/23	660-59598-2900	871082898	406.59-
Total 135049:						406.59-
10/16/2023	135553	Pagels, Sara A.	Sale of unused cemetery spaces back to	100-46540	8/31/2023	750.00-
Total 135553:						750.00-
10/05/2023	135734	4 K's Pest Control LLC	General Pest Control - P&R	100-55200-2900	TR PARKS NESHOTA	210.00
10/05/2023	135734	4 K's Pest Control LLC	General Pest Control - P&R	100-55140-2900	9/22/23 COMMUNITY HO	60.00
10/05/2023	135734	4 K's Pest Control LLC	General Pest Control - P&R	100-55200-2900	09/21/23 VETS PARK	45.00
10/05/2023	135734	4 K's Pest Control LLC	General Pest Control - P&R	100-55200-2900	9/21/23 WASHINGTON PA	60.00
Total 135734:						375.00
10/05/2023	135735	Accurate Appraisal LLC	January through September 2023	100-51530-2130	4368	48,150.00
10/05/2023	135735	Accurate Appraisal LLC	Oct 2023 Services	100-51530-2130	4405	5,350.00
Total 135735:						53,500.00
10/05/2023	135736	ADRC of the Lakeshore	Sept 2023 Donations - Sr Ctr	250-23150	SEPTEMBER 2023	605.00
Total 135736:						605.00
10/05/2023	135737	AECOM Technical Services Inc	Seep Investigation	419-53600-2900	2000802498	7,281.93
Total 135737:						7,281.93
10/05/2023	135738	Amazon Business - Debit Memo	Supplies - Wtr	650-59643-3900	14HG-HCFG-9VDR	591.66
10/05/2023	135738	Amazon Business - Debit Memo	Supplies - FD	100-52200-3850	1GLL-CWMD-9RH4	314.02
10/05/2023	135738	Amazon Business - Debit Memo	Supplies - Sr. Center	250-55150-3900	1VRG-FMRG-NWH4	66.60
10/05/2023	135738	Amazon Business - Debit Memo	Supplies - Sr. Center	250-55150-3900	1TFK-NRL3-PT9C	48.58
10/05/2023	135738	Amazon Business - Debit Memo	Shop Supplies - DPW	100-53200-3900	1GFT-NJ63-NV11	319.51
Total 135738:						1,340.37
10/05/2023	135739	B&M Waste Service Inc	Portable Restroom Rental - Coast Guard	100-55200-2900	174740	420.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/05/2023	135739	B&M Waste Service Inc	Portable Restroom Rental - LB Clarke	100-55300-2900	174784	90.00
Total 135739:						510.00
10/05/2023	135740	Ball Auto & Truck Parts Inc	Hardware - WWTP	690-59833-3900	312103	61.99
Total 135740:						61.99
10/05/2023	135741	Belly River Corporation	Hose & Lube - WWTP	690-59833-3900	23INV-263	955.36
Total 135741:						955.36
10/05/2023	135742	Below Vetter Buikema Olson & Vliet LL	Labor Attorney	100-51410-2130	162	7,217.50
10/05/2023	135742	Below Vetter Buikema Olson & Vliet LL	Labor Attorney	100-51410-2130	163	825.00
10/05/2023	135742	Below Vetter Buikema Olson & Vliet LL	Labor Attorney	100-51410-2130	164	110.00
10/05/2023	135742	Below Vetter Buikema Olson & Vliet LL	Labor Attorney	100-51410-2130	165	1,650.00
10/05/2023	135742	Below Vetter Buikema Olson & Vliet LL	Labor Attorney	100-51410-2130	166	82.50
10/05/2023	135742	Below Vetter Buikema Olson & Vliet LL	Labor Attorney	100-51410-2130	167	922.50
Total 135742:						10,807.50
10/05/2023	135743	Christmas Stars - APG	Christmas Stars 2023 Final Payment	250-55150-3300	09/28/2023	736.00
Total 135743:						736.00
10/05/2023	135744	City of Two Rivers Petty Cash	Petty cash reimbursement	100-52400-3110	10/02/2023	1,576.01
Total 135744:						1,576.01
10/05/2023	135745	CliftonLarsonAllen LLP	Progress Billing/Dec 2022 Audit	100-51510-2110	3892421	5,355.00
Total 135745:						5,355.00
10/05/2023	135746	Community First Credit Union	Commitment to Community Interest Refu	660-21130	06/14/2023	9.41
Total 135746:						9.41
10/05/2023	135747	DOA/Division of Energy	Refund of Energy Assistance Funds - C	660-21131	09/27/2023	20.23
Total 135747:						20.23

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/05/2023	135748	Dorner Company	Check Valve Repair - Wtr	650-59678-2900	507505	1,750.00
Total 135748:						1,750.00
10/05/2023	135749	Election Systems & Software	2 Handicapped Accessible Voting Machin	459-51600-8170	CD2066413	7,845.00
Total 135749:						7,845.00
10/05/2023	135750	Emerald Transformer	Regulator Cables - Elec	660-59595-3900	142016474	13,650.00
Total 135750:						13,650.00
10/05/2023	135751	GFL Environmental	Grit Dump - WWTP	690-59820-2900	U30000118107	302.21
Total 135751:						302.21
10/05/2023	135752	Graybar	Neshotah Park Project	660-19107	9333928452	12.96
Total 135752:						12.96
10/05/2023	135753	John Fabick Tractor Company	Plow Blades - PW	100-53330-3900	PIGB0212753	976.00
10/05/2023	135753	John Fabick Tractor Company	Plow Blades - PW	100-53330-3900	PIGB0213248	2,499.75
10/05/2023	135753	John Fabick Tractor Company	Generator Maintenance - WWTP	690-59820-2900	SIGP0012021	3,028.40
10/05/2023	135753	John Fabick Tractor Company	Generator Maintenance - WWTP	690-59832-2900	SIGP0012025	4,414.52
10/05/2023	135753	John Fabick Tractor Company	Supplies - Wtr	650-59665-2900	SIGP0012135	1,539.66
Total 135753:						12,458.33
10/05/2023	135754	K & S Tire Recycling Inc.	Tire Recyclcing - PW	100-53200-2900	161332A	595.55
Total 135754:						595.55
10/05/2023	135755	Klein, Patricia Ann	Simply Seniors Exercise Class - 9/1/23-9	100-55300-2900	10/2/2023	74.40
Total 135755:						74.40
10/05/2023	135756	Klein's Hardware Hank	Hardware - WWTP	690-59833-3900	19906	25.47
10/05/2023	135756	Klein's Hardware Hank	Balance Due on Account	650-59643-3900	100323	26.40
Total 135756:						51.87

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/05/2023	135757	KONE	Maintenance 10/01/2023-12/31/2023	660-59598-2900	871161813	406.59
10/05/2023	135757	KONE	Maintenance 7/1/23-9/30/23	660-59598-2900	871082898 (RE-ISSUED)	406.59
Total 135757:						813.18
10/05/2023	135758	Kulpa Jr, Frank	Solar credit	660-21130	10/2/2023	199.40
Total 135758:						199.40
10/05/2023	135759	Lester Public Library Foundation	Half of Fall Book Sale 2023	280-48300	10/3/2023	373.81
Total 135759:						373.81
10/05/2023	135760	Manitowoc Calumet Library System	Tech-Lib	280-55110-2930	1101	5,779.54
Total 135760:						5,779.54
10/05/2023	135761	Manitowoc Disposal Inc	Empty Dumpsters - P&R	640-53620-2900	73574	520.00
10/05/2023	135761	Manitowoc Disposal Inc	Landfill Fee 8/16/23	690-59820-2900	73757	211.03
10/05/2023	135761	Manitowoc Disposal Inc	Recycling & Refuse Collect 9/17/23-9/30/	640-53620-2900	9/17/2023-9/30/2023	15,024.20
Total 135761:						15,755.23
10/05/2023	135762	Manitowoc Trophy	Friendship Table Gold Satin 4x8 Engrave	100-51410-3100	44596	16.00
10/05/2023	135762	Manitowoc Trophy	Directional Signs - City Hall	100-51600-3500	44002	90.00
10/05/2023	135762	Manitowoc Trophy	Plaques - P & R	100-55300-3900	44651	99.00
10/05/2023	135762	Manitowoc Trophy	Plaques - P & R	100-55300-3900	44650	152.00
Total 135762:						357.00
10/05/2023	135763	Massey, Steve	Install Roll-up Door on Storage Shed - Li	280-55110-2130	OCTOBER 3, 2023	100.00
Total 135763:						100.00
10/05/2023	135764	MSA Professional Services Inc	Remote System Training with Water Staff	650-59930-2920	R10511016.0-3	440.00
Total 135764:						440.00
10/05/2023	135765	Northeast Wisc Tech College	Apprenticeship - T. Duessing	660-59930-2920	SFT0000126044	216.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135765:						216.00
10/05/2023	135766	Northern Lake Service Inc	Copper & Lead Testing - Wtr	650-59642-2900	2315271	487.00
10/05/2023	135766	Northern Lake Service Inc	Copper & Lead Testing - Wtr	650-59642-2900	2315277	487.00
10/05/2023	135766	Northern Lake Service Inc	Copper & Lead Testing - Wtr	650-59642-2900	2315278	487.00
10/05/2023	135766	Northern Lake Service Inc	2023 WDNR Drinking Water	650-59642-3900	2315834	706.48
10/05/2023	135766	Northern Lake Service Inc	2023 Investigative Drinking Water'	650-59642-2900	2315847	133.18
10/05/2023	135766	Northern Lake Service Inc	Copper & Lead Testing - Wtr	650-59642-2900	2315890	504.91
10/05/2023	135766	Northern Lake Service Inc	Monthly TPC	650-59642-2900	2315938	45.17
Total 135766:						2,850.74
10/05/2023	135767	OpenPoint LLC	OpenPoint Subscription - Oct 2023	660-59923-2403	1434	1,960.00
Total 135767:						1,960.00
10/05/2023	135768	Payment Service Network	Services 9/1/2023-9/30/2023	690-59840-3900	283262	7.95
Total 135768:						7.95
10/05/2023	135769	Payment Service Network	CC Processing Fees/Donations - Septem	415-55410-2900	284118	15.00
Total 135769:						15.00
10/05/2023	135770	Public Service Commission of Wisconsin	PSC Direct Assessment - Elec	660-59408-9703	RA24-I-05990	11,732.51
Total 135770:						11,732.51
10/05/2023	135771	Quarles & Brady LLP	Safe Drinking Water Loan	650-19107	STATEMENT NO. 6654162	12,000.00
Total 135771:						12,000.00
10/05/2023	135772	R&J Fricke Inc	9 Bag Concrete/15th & Jefferson - DPW	100-16120	15026	1,104.00
10/05/2023	135772	R&J Fricke Inc	6 Bag Concrete / 15th & Jefferson - DPW	100-16120	15027	693.00
Total 135772:						1,797.00
10/05/2023	135773	Reinders	Turfage & Marking Chalk - P&R	100-55400-3900	2718794-00	1,219.80

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135773:						1,219.80
10/05/2023	135774	Renegade Pest Management	Pest Control - City Hall	100-51600-3500	11843	250.00
Total 135774:						250.00
10/05/2023	135775	RESCO	Supplies-Elec	660-59594-3900	3005322	3,898.60
10/05/2023	135775	RESCO	Supplies-Elec	660-59593-3900	3005304	651.25
Total 135775:						4,549.85
10/05/2023	135776	Schaus Roofing/Mechanical	Service - Sr. Center	100-55140-2900	SD8973	582.68
Total 135776:						582.68
10/05/2023	135777	Schindler Elevator Company	Quarterly Billing 10/1/23-12/31/23 - Com	100-55140-2900	8106368294	938.73
Total 135777:						938.73
10/05/2023	135778	Suettinger's Keys LLC	Lockset / Deadbolts - P&R	415-55410-8200	124379	1,353.04
10/05/2023	135778	Suettinger's Keys LLC	Double Cut Keys - Elec	660-19184	124382	7.50
10/05/2023	135778	Suettinger's Keys LLC	Primus Keys - Wtr	650-59643-3900	124384	43.80
10/05/2023	135778	Suettinger's Keys LLC	GI LSDA Lever Locksets; Primus Cylinde	650-59643-3900	124413	2,358.20
Total 135778:						3,762.54
10/05/2023	135779	Superior Chemical LLC	Supplies - CH	100-51600-3500	373865	150.52
10/05/2023	135779	Superior Chemical LLC	Supplies - CH	100-51600-3500	374481	65.11
Total 135779:						215.63
10/05/2023	135780	Two Rivers Historical Society	Oct 2023 Monthly Support Pymt	258-56700-2910	OCT2023	250.00
Total 135780:						250.00
10/05/2023	135781	Van Rite Plumbing Inc.	1700 Block Lincoln Street - Service Repl	690-19107	009455	29,340.00
Total 135781:						29,340.00
10/05/2023	135782	West & Dunn LLC	Monthly Flat Fee - August 2023	100-51340-2120	8089	5,959.11

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/05/2023	135782	West & Dunn LLC	General Legal Matters	100-51340-2120	8090	40.00
10/05/2023	135782	West & Dunn LLC	Transcript of March 9, 2023, Oral Decisio	100-51340-2120	7256	21.50
Total 135782:						6,020.61
10/05/2023	135783	Wisconsin Public Service	CITY HALL	100-51600-2220	0401271669-24;9/23	58.44
10/05/2023	135783	Wisconsin Public Service	1916 COLUMBUS ST - Elec	660-59588-2220	0401271669-10;9/23	28.60
10/05/2023	135783	Wisconsin Public Service	Bridge Bldg - Engineering	100-53341-2220	0401271669-30;9/23	16.21
10/05/2023	135783	Wisconsin Public Service	WARM BLDG	100-55200-2220	0401271669-12;9/23	16.77
10/05/2023	135783	Wisconsin Public Service	PARK SHELTER	100-55200-2220	0401271669-14;9/23	16.21
10/05/2023	135783	Wisconsin Public Service	CEMETERY	100-54910-2220	0401271669-05;9/23	16.21
10/05/2023	135783	Wisconsin Public Service	1520 17TH ST - Rec	100-55140-2220	0401271669-04;9/23	176.35
10/05/2023	135783	Wisconsin Public Service	1300 35th Street - Rec	100-55400-2220	0401271669-07;9/23	18.90
10/05/2023	135783	Wisconsin Public Service	1401 Lake Street	660-49390	0401271669-35;9/23	191.85
Total 135783:						539.54
10/12/2023	135784	4 K's Pest Control LLC	Pest control - Wtr	650-59665-2900	100923W	600.00
10/12/2023	135784	4 K's Pest Control LLC	Pest Control for 1 Year - Electric	660-59923-2902	100923E	1,200.00
Total 135784:						1,800.00
10/12/2023	135785	Amazon Business - Debit Memo	Sewer Jetter Kit for Pressure Washer - R	100-55200-3900	1RLD-G1YH-C317	127.75
10/12/2023	135785	Amazon Business - Debit Memo	Grinding Disc-Rec	100-53200-3900	19YJ-44MN-D4YP	365.95
10/12/2023	135785	Amazon Business - Debit Memo	Supplies - City Hall	100-51600-3500	1X37-1NRX-9WN7	185.08
Total 135785:						678.78
10/12/2023	135786	AnSer Services	Services - Elec	650-59665-2900	6502-100123	220.00
Total 135786:						220.00
10/12/2023	135787	Arthur J Gallagher RMS Inc	2023-2024 Renewal - Pub Officials / Cyb	100-16310	4866279	45,022.50
Total 135787:						45,022.50
10/12/2023	135788	Aurora EAP	EAP - Quarterly 10/1/23-12/31/23	500-51510-2900	505-CI0003423	702.72
Total 135788:						702.72
10/12/2023	135789	Aurora Health Care	Drug Screens & Pre Placement testing	100-52200-2100	143326	626.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135789:						626.00
10/12/2023	135790	Braun Building Center	Base zipper Boot flash - Rec	100-55400-3900	BB077665301	84.15
10/12/2023	135790	Braun Building Center	Supplies - Rec	100-55400-3900	BB077662901	1,000.00
Total 135790:						1,084.15
10/23/2023	135791	Buelow Vetter Buikema Olson & Vliet LL	Labor Attorney	100-51410-2130	STATEMENT NO 169	.00
Total 135791:						.00
10/12/2023	135792	Bureau Veritas Nat'l Elev Insp Serv LLC	Hamilton Community House-Inspection	100-55140-2900	4138409 / 9.25.2023	90.20
Total 135792:						90.20
10/12/2023	135793	Carron Net Company Inc	Tennis Nets / Washington Park	100-55300-3900	402446	1,167.15
Total 135793:						1,167.15
10/12/2023	135794	Child's World, The	Books JNF - Lib	280-55112-3400	NA157737	137.70
Total 135794:						137.70
10/12/2023	135795	Cool City Cleaners Inc	Towel/Mop Cleaning - WTP	690-59820-2900	0164	56.00
Total 135795:						56.00
10/12/2023	135796	Coughlan Companies LLC	Books JNF - Lib	280-55112-3400	334554	406.30
Total 135796:						406.30
10/12/2023	135797	Country Visions Cooperative	Diesel - DPW	100-53200-2410	338401	2,243.79
Total 135797:						2,243.79
10/12/2023	135798	Cretton Enterprises Inc	Sept 2023 Services - Lib	280-55110-3560	11661	1,540.84
10/12/2023	135798	Cretton Enterprises Inc	Sept 2023 Services - Rec	100-55410-2900	11660	2,980.90
10/12/2023	135798	Cretton Enterprises Inc	Spray Knot Weed - Rec	100-55410-2900	11731	255.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135798:						4,776.74
10/12/2023	135799	Dave's Tree Service Inc	Tree trimming - Elec	660-59593-2900	42262	2,400.00
Total 135799:						2,400.00
10/12/2023	135800	Dixon Engineering Inc	High Lift Cleaning / Maintenance	650-59672-2900	23-1082	5,000.00
Total 135800:						5,000.00
10/12/2023	135801	Fastenal	Vending-Elec	660-59588-3900	WIMAN302065	2,352.06
10/12/2023	135801	Fastenal	Vending-Wtr	650-59921-3100	WIMAN302061	184.01
10/12/2023	135801	Fastenal	Screws-Elec	660-59594-2900	WIMAN302005	98.40
Total 135801:						2,634.47
10/12/2023	135802	Fire Dept Petty Cash	Petty cash reimbursement	100-52200-3500	10/10/2023	126.37
Total 135802:						126.37
10/12/2023	135803	Forster, Robert	Translation Service Incident # 23-04989 -	100-52100-2100	INCIDENT #23-04989	42.40
Total 135803:						42.40
10/12/2023	135804	Frank's Radio Service Inc.	Service Agreement for October 2023 - F	100-52200-2900	123952	219.00
10/12/2023	135804	Frank's Radio Service Inc.	Battery - FD	100-52200-2900	123997	148.68
Total 135804:						367.68
10/12/2023	135805	Fricke Printing Services Inc	Envelopes - Community Development	291-56700-3100	250998	36.95
10/12/2023	135805	Fricke Printing Services Inc	Rack Cards-Hit the Water - Elizabeth	258-56700-2910	250999	66.10
Total 135805:						103.05
10/12/2023	135806	Garage Door Specialty LLC	Overhead Door Repair - DPW	100-53200-3900	4231	140.00
Total 135806:						140.00
10/12/2023	135807	Grainger	HD Limit Switch - WWTP	690-59834-3900	9849243093	236.83
10/12/2023	135807	Grainger	Impact Drill-Elect	660-59588-3900	9845023812	279.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/12/2023	135807	Grainger	Impact Drill Return - Elec	660-59588-3900	9852503813	279.00-
Total 135807:						236.83
10/12/2023	135808	Green Acres Landscaping Inc.	Sod-Cem	100-54910-3900	37387	96.00
Total 135808:						96.00
10/12/2023	135809	Hallman Lindsay	Natural Wood Toner Cedartor - Parks Pic	100-55200-3900	J0207252	63.49
Total 135809:						63.49
10/12/2023	135810	Hawkins Inc	Azone-15 & Ortho - Wtr	650-59641-3910	6581062 9/15/23	4,544.89
10/12/2023	135810	Hawkins Inc	Azone-15	650-59641-3910	6596259	1,160.60
Total 135810:						5,705.49
10/12/2023	135811	HMF Innovations Inc	Tables; Trash Recepticles; Bike Rack; Be	415-55410-8200	1262	23,557.00
Total 135811:						23,557.00
10/12/2023	135812	Hubbart Electric Inc	Labor / Land Wire PLC Panel - Wtr	650-59678-2900	19749	142.50
Total 135812:						142.50
10/12/2023	135813	HydroCorp	Cross Connection Control Prog - Sept 2	650-59664-2900	0074437-IN	3,280.00
Total 135813:						3,280.00
10/12/2023	135814	James Imaging Systems Inc.	Contract R14490-MPS-01 9/29/2023-10/	660-59921-3900	1365969	366.22
Total 135814:						366.22
10/12/2023	135815	Kaat's Water Conditioning Inc	Water - 6303 Riverview Dr	419-53600-2900	09/30/2023	60.74
Total 135815:						60.74
10/12/2023	135816	Kemira Water Solutions Inc	FERRIC CHLORIDE - WWTP	690-59824-4910	1003906017	11,609.00
Total 135816:						11,609.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/12/2023	135817	Lac Bay Community Assets	Refund of utilities paid 9/6/22 by title Co	660-21130	10/4/2023	218.77
Total 135817:						218.77
10/12/2023	135818	Lakeshore Pressure Washing & Cleaning	Maint-Lib	280-55110-2410	0080	410.00
Total 135818:						410.00
10/12/2023	135819	Laxton, Erick	Refund of Park Shelter - Rec	100-23100	10/09/2023	100.00
Total 135819:						100.00
10/12/2023	135820	Lerner Publishing Group	Books JNF - Lib	280-55112-3400	1469871	22.99
10/12/2023	135820	Lerner Publishing Group	Books JNF - Lib	280-55112-3400	1469211	101.26
Total 135820:						124.25
10/12/2023	135821	Lindner Ace Hardware Manitowoc	Key for Jeep - PW	100-16120	217939	5.99
Total 135821:						5.99
10/12/2023	135822	MacQueen Equipment	Fender & Panel - DPW	100-16120	P31151	1,638.71
Total 135822:						1,638.71
10/12/2023	135823	Manitowoc Public Utilities	2124 Woodland Dr-WTP	690-59820-2210	106902;9/23	27.48
10/12/2023	135823	Manitowoc Public Utilities	Standby Water/5000 Memorial Drive - Wt	650-59602-2900	9/30/23	636.96
Total 135823:						664.44
10/12/2023	135824	Manitowoc Trophy	Manitowoc County Board of Realtors/Frie	100-51410-3100	44658	36.00
Total 135824:						36.00
10/12/2023	135825	Marco	Prof Serv - Library	280-55110-2130	35006800	280.80
Total 135825:						280.80
10/12/2023	135826	Maritime Ford	Veh#27 Repair - Elec	660-19184	23708	455.07

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135826:						455.07
10/12/2023	135827	Masimo	Rainbow DCI, Rainbow RC2-EMS - FD	270-52300-2100	3227696	954.00
Total 135827:						954.00
10/12/2023	135828	Memorial Drive Vet Clinic	Xanti - PD	461-52100-8150	342495	54.49
Total 135828:						54.49
10/12/2023	135829	Mid-American Research Chemical	Supplies-Rec	100-55200-3900	0801256-IN	809.20
Total 135829:						809.20
10/12/2023	135830	Nelson Sign & Graphics	White Coroplast - Rec	415-55410-8200	6/7/23	284.80
Total 135830:						284.80
10/12/2023	135831	North Central Laboratories	Lab Supplies-WTP	690-59820-3900	493356	1,235.64
Total 135831:						1,235.64
10/12/2023	135832	ODP Business Solutions LLC	Office Supplies - Clerk	100-51420-3100	329071907001	18.45
10/12/2023	135832	ODP Business Solutions LLC	Office Supplies - Clerk	100-51420-3100	332731784001	8.13
Total 135832:						26.58
10/12/2023	135833	Penworthy Company LLC, The	Books JF - Lib	280-55112-3420	0593461-IN	160.78
Total 135833:						160.78
10/12/2023	135834	Quadient Finance USA Inc.	Quarterly postage lease 8/2/23-11/1/23	100-51900-5310	Q1005243	489.03
Total 135834:						489.03
10/12/2023	135835	R&J Fricke Inc	6 Bag Concrete -Jefferson Bike Trail - DP	100-16120	15114	2,520.00
Total 135835:						2,520.00
10/12/2023	135836	RESCO	Supplies - Elec	660-19154	3005498	461.82

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/12/2023	135836	RESCO	Supplies - Elec	660-59593-3900	3005500	240.54
10/12/2023	135836	RESCO	Supplies - Elec	660-59593-3900	3005667	764.00
10/12/2023	135836	RESCO	Supplies-Elec	660-59593-3900	3006746	382.00
10/12/2023	135836	RESCO	Supplies-Elec	660-59593-3900	3007039	562.50
10/12/2023	135836	RESCO	Supplies-Elec	660-59595-3900	3007046	159.60
10/12/2023	135836	RESCO	Supplies-Elec	660-59593-3900	3007344	450.75
10/12/2023	135836	RESCO	Supplies-Elec-Credit Memo	660-59593-3900	3006493	100.00-
Total 135836:						2,921.21
10/12/2023	135837	Sabel Mechancial LLC	Sludge Hauling - WWTP	690-59820-2900	230620	14,138.00
Total 135837:						14,138.00
10/12/2023	135838	Schroeder Bros Co	Shipping - WWTP	690-59820-3900	94748	143.76
Total 135838:						143.76
10/12/2023	135839	SEERA	Focus Program - 9/30/2023	660-29253	10/10/2023	4,281.34
Total 135839:						4,281.34
10/12/2023	135840	Shawn Williams Creative-Social Media	Sept services - Elizabeth Runge	258-56700-2910	919	1,150.00
Total 135840:						1,150.00
10/12/2023	135841	Storm the Lawn Pro LLC	Treatment - Rec	100-55400-2900	231081	114.13
Total 135841:						114.13
10/12/2023	135842	TAPCO	Parkfolio Hosting Fee - Aug 2023	218-53540-2900	1763769	108.00
10/12/2023	135842	TAPCO	Parkfolio Hosting Fee - Sep 2023	218-53540-2900	1763782	108.00
Total 135842:						216.00
10/12/2023	135843	Thuermer Law Office	Municipal Prosecuting - September 2023	100-51340-2121	SEPTEMBER 27, 2023	1,607.00
Total 135843:						1,607.00
10/12/2023	135844	Two Rivers Automotive Inc.	Fram Def 2.5 Gal - FD	100-52210-3410	5172-298486	63.96
10/12/2023	135844	Two Rivers Automotive Inc.	Trufuel 50 a Premix - FD	100-52210-2900	5172-296542	17.98

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/12/2023	135844	Two Rivers Automotive Inc.	Battery AAAA - Rec	100-54910-3900	5172-298753	7.39
Total 135844:						89.33
10/12/2023	135845	Two Rivers Main Street Inc.	Holiday Parade Entry Fee-Elec	660-59930-3900	10/10/2023	10.00
Total 135845:						10.00
10/12/2023	135846	Unique	Prof Serv - Lib	280-55110-2130	6118027	104.85
Total 135846:						104.85
10/12/2023	135847	US Alliance Fire Protection Inc.	Maint - Lib	280-55110-2410	1046-F114315	250.00
Total 135847:						250.00
10/12/2023	135848	USA Blue Book	Supplies - Wtr	650-59643-3900	00141565	15.55
10/12/2023	135848	USA Blue Book	CL2 Free reagent, LC17, DPD, Etc...WTr	650-59643-3900	INV00152159	709.34
Total 135848:						724.89
10/12/2023	135849	UV Superstore	UV Disinfection Light - WWTP	690-59833-3900	23-148990	4,846.88
Total 135849:						4,846.88
10/12/2023	135850	UW - Madison	CPM Madison Hybrid Tuition - Rec	100-55140-2920	1	3,900.00
Total 135850:						3,900.00
10/12/2023	135851	Ventec Life Systems	Supplies Freight Charge - FD	100-52300-3900	11748	25.96
Total 135851:						25.96
10/12/2023	135852	Water Quality Investigations LLC	Services from 09/04/23-10/01/23 - WTR	650-59923-2900	0923_34	1,555.14
Total 135852:						1,555.14
10/12/2023	135853	Wisc State Laboratory/Hygiene	Sept Fluoride Samples - Wtr	650-59642-2900	755303	28.00
Total 135853:						28.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/12/2023	135854	Wisconsin Public Service	FIRE DEPT	100-52200-2220	0401271669-3;9/23	133.43
10/12/2023	135854	Wisconsin Public Service	RESEVOIR	650-59661-2220	0401271669-2;9/23	20.50
10/12/2023	135854	Wisconsin Public Service	2615 13th Street Tower	650-59661-2220	0401271669-25;9/23	16.21
10/12/2023	135854	Wisconsin Public Service	2318 Picknic Hill Ln - Tower	650-59661-2220	0401271669-26;9/23	16.21
10/12/2023	135854	Wisconsin Public Service	HIGH LIFT	650-59626-2220	0401271669-32;9/23	28.60
Total 135854:						214.95
10/12/2023	135855	WOMT	Tourism Advertising	258-56700-2910	415-00002-0002	418.00
10/12/2023	135855	WOMT	Tourism Advertising	258-56700-2910	415-00003K-0002	342.00
Total 135855:						760.00
10/12/2023	135856	WPPI - Debit Memo	Sept 2023 Purchased Power	660-59902-2900	25-92023	647,472.97
Total 135856:						647,472.97
10/12/2023	135857	WPPI Energy	Water Plant equipment retrofit	650-29224	INV19956	390.23
Total 135857:						390.23
10/12/2023	135858	Zoro Tools Inc.	Supplies - Wtr	650-59643-3900	13069294	311.95
10/12/2023	135858	Zoro Tools Inc.	Supplies - Wtr	650-59626-3900	13092424	59.03
Total 135858:						370.98
10/19/2023	135859	Airgas USA LLC	Cylinder Rental - WWTP	690-59833-2900	5502170802	359.01
Total 135859:						359.01
10/19/2023	135860	Amazon Business - Debit Memo	Supplies - City Hall	100-52400-3100	1WKX-9KPK-9KGQ	153.69
10/19/2023	135860	Amazon Business - Debit Memo	Supplies - ENG	100-53100-3100	1361-TDMH-9YHY	8.95
10/19/2023	135860	Amazon Business - Debit Memo	Supplies - ELEC	660-19184	1LMH-ML69-9VGN	369.18
10/19/2023	135860	Amazon Business - Debit Memo	Supplies - PW	100-53200-3900	19NM-3N6Q-9YV7	248.60
Total 135860:						780.42
10/19/2023	135861	Ball Auto & Truck Parts Inc	15W40 Oil - PW	690-59833-3900	313474	67.96
Total 135861:						67.96

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/19/2023	135862	Border States Industries Inc	Galvanized Lock Nuts - Elec	660-59593-3900	927173730	103.43
Total 135862:						103.43
10/19/2023	135863	Center Point Large Print	Alp-Lib	280-55111-3430	2040281	358.95
Total 135863:						358.95
10/19/2023	135864	City Of Manitowoc	Q3 - 2023 Bus Service	100-53520-2900	0435835	24,763.75
Total 135864:						24,763.75
10/19/2023	135865	Dellemann, Brian	Energy Star - Clothes Dryer	660-29253	10/17/2023	25.00
Total 135865:						25.00
10/19/2023	135866	Eesley, Todd & Sally	Energy Star - Dishwasher	660-29253	10/17/2023	25.00
Total 135866:						25.00
10/19/2023	135867	ENTERPRISE FM TRUST	Lease Payments - Multiple Vehicles	690-59828-2410	FBN4867645	19,212.47
Total 135867:						19,212.47
10/19/2023	135868	Fastenal	Vending-Elec	660-59593-3900	WIMAN302326	2,004.17
Total 135868:						2,004.17
10/19/2023	135869	Fearing's Satellite & Sound Inc	Central Park West 365 Audio System	415-55410-8200	72384	9,626.49
Total 135869:						9,626.49
10/19/2023	135870	FedEx	Shipping - Belt Press Belt - WWTP	690-59820-2900	2-204-48045	76.20
Total 135870:						76.20
10/19/2023	135871	Fireside Theatre, The	May 30th Fireside trip: Nonsense	250-55150-3300	OCTOBER 12, 2023	50.00
Total 135871:						50.00
10/19/2023	135872	Frank's Radio Service Inc.	Remote Speaker Mic w/Audio - PD	100-52115-3230	123983	256.61

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135872:						256.61
10/19/2023	135873	Garage Door Specialty LLC	Fix Police Door - PD	100-51600-3500	4346	1,122.08
Total 135873:						1,122.08
10/19/2023	135874	Grainger	Misc Drill Shank - WWTP	690-59834-3900	9867107493	75.67
Total 135874:						75.67
10/19/2023	135875	Hubbart Electric Inc	Maintenance - Lib	280-55110-2410	19845	43.00
Total 135875:						43.00
10/19/2023	135876	James Imaging Systems Inc.	Customer Service Printer	660-19391	1368385	1,176.25
Total 135876:						1,176.25
10/19/2023	135877	James Leasing LLC	Lease Agreement JL-502 10/6/2023-11/5	100-54150-2900	14256	117.28
Total 135877:						117.28
10/19/2023	135878	Klein's Hardware Hank	Supplies - P&R	100-55140-3500	22270	30.36
Total 135878:						30.36
10/19/2023	135879	Krajnik Chevrolet	Truck 17 Side Mirror Replacement - Elec	660-19184	41857	800.25
Total 135879:						800.25
10/19/2023	135880	Manitowoc Disposal Inc	Recycling & Refuse Collect 10/1/2023-10	640-53620-2900	10/20/2023	15,024.20
10/19/2023	135880	Manitowoc Disposal Inc	Empty Dumpsters - P&R	640-53620-2900	73899	200.00
Total 135880:						15,224.20
10/19/2023	135881	McMahon Associates Inc	Eggers Pond Environmental Investigatio	680-19107	932339	362.00
Total 135881:						362.00
10/19/2023	135882	Mid-American Research Chemical	Supplies - Cemetary	100-54910-3900	0800909-IN	326.14

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135882:						326.14
10/19/2023	135883	Midwest Chemical & Equipment	Belt Press Polymer - WWTP	690-59820-2900	7214	11,679.00
Total 135883:						11,679.00
10/19/2023	135884	Municipal Elec Utilities of WI	Regional Safety Program - Q4 2023 Prog	690-59852-2900	101323-28	7,437.50
Total 135884:						7,437.50
10/19/2023	135885	North Central Laboratories	Lab Chemical Supplies - WWTP	690-59820-3900	494075	637.48
Total 135885:						637.48
10/19/2023	135886	PrecisionChem LLC	On-Site Testing & System Evaluation-Re	100-55200-2900	16576	105.00
Total 135886:						105.00
10/19/2023	135887	Premium Waters Inc	Lab Water - WTP	690-59820-2900	391108621	125.98
Total 135887:						125.98
10/19/2023	135888	R&J Fricke Inc	6 Bag Concrete / East Street & Jefferson	100-16120	15073	2,520.00
10/19/2023	135888	R&J Fricke Inc	9 & 6 Bag Concrete - 15th Street & Jeffer	100-16120	15072	2,124.00
10/19/2023	135888	R&J Fricke Inc	9 Bag Concrete/15th & Jefferson - DPW	100-16120	15071	1,725.00
Total 135888:						6,369.00
10/19/2023	135889	RESCO	Supplies - Elec	660-59593-3900	3007511	790.23
Total 135889:						790.23
10/19/2023	135890	Resilient Minds On The Front Lines	Resiliency Trianing - FD	270-52300-2100	1103	10,000.00
Total 135890:						10,000.00
10/19/2023	135891	Rutherford Canvas	New Awning For Electric Dept Bldg	660-59930-2900	2023-2198	1,240.00
Total 135891:						1,240.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/19/2023	135892	Sara Pagels	Sale of unused cemetery spaces back to	100-46540	10/17/2023	750.00
Total 135892:						750.00
10/19/2023	135893	Sparta Free Library	Lost Interlibrary Loan Book	280-55111-3400	10/12/2023	16.47
Total 135893:						16.47
10/19/2023	135894	Storm the Lawn Pro LLC	Service-Rec	100-55400-2900	230981	1,085.59
Total 135894:						1,085.59
10/19/2023	135895	Superior Chemical LLC	Supplies - CH	100-51600-3500	375587	271.00
Total 135895:						271.00
10/19/2023	135896	Susie Q Fish Company Inc	Putting in and taking out river bouys - Re	218-53540-2900	39349	800.00
Total 135896:						800.00
10/19/2023	135897	Town & Country Engineering Inc.	2022 SDW and CWF Loan Assistance	650-19107	25856	415.00
10/19/2023	135897	Town & Country Engineering Inc.	2023 SDW & CWF Loan Assistance	650-19107	25857	207.50
10/19/2023	135897	Town & Country Engineering Inc.	Screw Press - Change Order - Roof	690-19107	25858	310.00
10/19/2023	135897	Town & Country Engineering Inc.	2024 SDW Loan Assistance	650-19107	25859	630.00
Total 135897:						1,562.50
10/19/2023	135898	Town of Two Rivers	Cut ditches - Woodland Dr/Cottage Ln -	100-53300-2900	10092023.4	200.00
Total 135898:						200.00
10/19/2023	135899	TT FASTER -CID 253	Yearly Program Fee 2023 - PW	100-53200-2900	CINV-035301	2,722.77
Total 135899:						2,722.77
10/19/2023	135900	USA Blue Book	Transmitter - WTP	690-59831-3900	INV00160017	580.94
10/19/2023	135900	USA Blue Book	Blue-White Tube Assy - WTP	690-59824-3900	INV00164280	177.83
Total 135900:						758.77
10/19/2023	135901	Vacuum Pump & Compressor Inc	Nitrile Ball & Diaphragm - WWTP	690-59833-3900	121000-00	3,877.37

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135901:						3,877.37
10/19/2023	135902	Wisc Dept of Agriculture,	Humane Officer Renewal Certification - J	100-52115-2920	10/17/2023	35.00
Total 135902:						35.00
10/19/2023	135903	Wisc Dept Of Revenue-DEBITMEMO	Sept 2023 Sales Tax	640-29410	10/16/2023	35,201.09
Total 135903:						35,201.09
10/19/2023	135904	Wisconsin Public Service	114 DAVIS STREET	100-55400-2220	0401271669-1;10/23	15.65
Total 135904:						15.65
10/19/2023	135905	Woodland Dunes Nature Center	Co. Other Improvements (Zander Park)	456-51600-8170	2906	680.44
Total 135905:						680.44
10/19/2023	135906	Zarnoth Brush Works Inc	Scrapers - PW	100-16120	0195585-IN	388.20
Total 135906:						388.20
10/26/2023	135907	4 K's Pest Control LLC	General Pest Control - Library	280-55110-2410	10/20/2023	50.00
Total 135907:						50.00
10/26/2023	135908	Amazon Business - Debit Memo	Supplies - P&R	100-55140-3500	1NDG-3XMD-CHGC	30.69
Total 135908:						30.69
10/26/2023	135909	Aurora Health Care North Inc.	Pharmacy Tansfer Aug 2023 - FD	100-52300-3900	ID 3253 STATEMENT 10/1	782.36
Total 135909:						782.36
10/26/2023	135910	Aurora Health Care, Inc	EAP Quarter October 2023-December 20	500-51510-2900	505-CI0003423	702.72
Total 135910:						702.72
10/26/2023	135911	Ball Auto & Truck Parts Inc	15W40 & Filter - WWTP	690-59833-3900	314101	71.97

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135911:						71.97
10/26/2023	135912	Bluestem Forestry Consulting Inc	50% Payment Upon Completion of Tree I	260-55210-2900	213	11,650.00
Total 135912:						11,650.00
10/26/2023	135913	Border States Industries Inc	Cable Ties - URD	660-59594-3900	927217237	385.05
Total 135913:						385.05
10/26/2023	135914	Cavanaugh, Karen	Refund - Christmas Stars Trip	250-55150-3300	10/18/2023	105.00
Total 135914:						105.00
10/26/2023	135915	City of Two Rivers	Garbage Stickers - Library	640-46310	10/25/2023	87.50
Total 135915:						87.50
10/26/2023	135916	Delta Dental of Wisconsin	Delta Premiums - November 2023	100-21532	2044558	5,886.39
Total 135916:						5,886.39
10/26/2023	135917	Dept of Administration	Public Benefit Fees FY24 Q1	660-29253	505-0000084270	12,636.84
Total 135917:						12,636.84
10/26/2023	135918	Eis Implement Inc	Service Call - P&R	100-54910-2900	ACCT 5336 10/16/2023	41.34
Total 135918:						41.34
10/26/2023	135919	Erickson Sports Apparel	Logowear - CM	258-56700-3901	1488	792.00
Total 135919:						792.00
10/26/2023	135920	Freedom Vent Systems	VOCSN Carrier - FD	270-52300-2100	1099	420.61
Total 135920:						420.61
10/26/2023	135921	Frontier	Telephone - Water	650-59661-2200	5741;10/23	112.95

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135921:						112.95
10/26/2023	135922	Gannett Wisconsin LocaliQ	Legal Ads	100-51100-2910	0005875305	508.58
Total 135922:						508.58
10/26/2023	135923	Global Synthetic Ice	Invoice Balance	415-55410-8200	000008	49,650.00
Total 135923:						49,650.00
10/26/2023	135924	Grainger	Cut Off Wheel - WWTP	690-59833-3900	9874203897	64.00
Total 135924:						64.00
10/26/2023	135925	Graybar	Receptacles & Wiring Supplies - Elec	660-59598-3900	9334425948	246.36
Total 135925:						246.36
10/26/2023	135926	Harrison, Stephanie	Energy Star Rebate - Refrigerator	660-29253	10/25/2023	25.00
Total 135926:						25.00
10/26/2023	135927	Hawkins Inc	Azone-15	650-59641-3910	6607597	1,716.65
Total 135927:						1,716.65
10/26/2023	135928	InfoSend Inc.	Utility Bill Mailing	690-59840-3110	248468	4,661.46
Total 135928:						4,661.46
10/26/2023	135929	James Imaging Systems Inc.	Contract R113705-01 - Coverage Period	100-55140-3100	1371814	164.21
10/26/2023	135929	James Imaging Systems Inc.	Contract R113706-01 - Coverage Period	100-53100-3100	1371815	395.09
10/26/2023	135929	James Imaging Systems Inc.	Contract R113707-01 - Coverage Period	100-55140-3100	1371816	905.00
Total 135929:						1,464.30
10/26/2023	135930	James Korinek	Refund - Overpayment on final bill.	660-21130	10/19/2023	26.74
Total 135930:						26.74

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
10/26/2023	135931	Lester Public Library	Certified Letters - Lib	280-55110-3110	10/19/2023	19.46
Total 135931:						19.46
10/26/2023	135932	Liberty Mutual Insurance	Policy Renewal Installment 1 - 10/1/23-9/	100-16310	14696190	130,286.50
Total 135932:						130,286.50
10/26/2023	135933	Mammoth Construction LLC	Watermain Break on Woodland Drive	650-59673-2900	1645	7,517.50
Total 135933:						7,517.50
10/26/2023	135934	Manitowoc Co Solid Waste	2338 Roosevelt Ave. Yard Clean Up	100-53200-2900	27270	300.91
10/26/2023	135934	Manitowoc Co Solid Waste	Sept 2023 - Street Sweepings/Landfill	640-53310-2900	27312	1,322.67
10/26/2023	135934	Manitowoc Co Solid Waste	Account #162 Sept 2023 Service - Eng	640-53620-2900	27284	9,760.68
10/26/2023	135934	Manitowoc Co Solid Waste	Account #165 Sept 2023 Service - P&R	640-53620-2900	27287	1,156.20
Total 135934:						12,540.46
10/26/2023	135935	Manitowoc Co Treasurer	County Jail & Driver Improvement Surch	100-21125	10/24/2023	1,030.09
Total 135935:						1,030.09
10/26/2023	135936	Manitowoc Engraving Inc	Envelopes - FD	100-52200-3100	31826	82.95
10/26/2023	135936	Manitowoc Engraving Inc	Garbage Stickers - Cust Serv	640-53620-3900	31831	1,185.00
Total 135936:						1,267.95
10/26/2023	135937	Maritime Plumbing	Services - FD	100-52200-2900	7358	260.00
Total 135937:						260.00
10/26/2023	135938	McMahon Associates Inc	Sandy Bay Highlands Stormwater Analys	290-56700-2900	932539	13,037.90
Total 135938:						13,037.90
10/26/2023	135939	Minnesota Life Insurance Co	Life Insurance premium - November 202	100-21531	10/23/2023	3,926.33
Total 135939:						3,926.33
10/26/2023	135940	Primrose Oil Company Inc.	Power Klenz - PW	100-16120	99220	581.58

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135940:						581.58
10/26/2023	135941	Sherwin Williams Co	Paint / Vets Park Mural	100-55300-3900	6368-9	100.74
Total 135941:						100.74
10/26/2023	135942	Sign Me Up Outdoor Advertising LLC	Oct 2023 - Digital Billboard	258-56700-2910	20221036	1,250.00
Total 135942:						1,250.00
10/26/2023	135943	SJE - Rhombus	Radio Program - WWTP	690-59833-3900	CD99499158	1,158.40
Total 135943:						1,158.40
10/26/2023	135944	State of Wisconsin	Sept 2023 penalty surcharges	100-21125	10/24/2023	3,295.51
Total 135944:						3,295.51
10/26/2023	135945	Superior Chemical LLC	Supplies - Elec	660-59588-3900	376063	121.38
10/26/2023	135945	Superior Chemical LLC	Nitrile Gloves - WWTP	690-59834-3900	376081	140.62
Total 135945:						262.00
10/26/2023	135946	TargetSolutions Learning LLC	Membership/Maintenance/Career Tracki	100-52200-2920	INV67962	3,416.11
Total 135946:						3,416.11
10/26/2023	135947	Uniform Shoppe	Boots - Staudinger	100-52200-3850	338179	155.95
10/26/2023	135947	Uniform Shoppe	Clothing / Ewert	100-52200-3850	338279	653.25
Total 135947:						809.20
10/26/2023	135948	USA Blue Book	Blue-White Spacer - WWTP	690-59833-2900	INV00167512	12.00
10/26/2023	135948	USA Blue Book	Incubator - WWTP	690-59820-3900	INV00170316	2,897.57
Total 135948:						2,909.57
10/26/2023	135949	Village of Mishicot Treasurer	Sept 2023 Municipal Court Forfeitures	100-21125	10/24/23	835.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Invoice Number	Invoice Amount
Total 135949:						835.00
10/26/2023	135950	WCA/Group Health Trust	November 2023 Health Premiums	100-16300	0015145770	167,990.57
Total 135950:						167,990.57
10/26/2023	135951	Wisc Dept of Transportation	Traffic Violation & Registration Program-	100-45131	10-19-23	6.00
Total 135951:						6.00
10/26/2023	135952	Wisconsin Public Service	LIBRARY	280-55110-2220	0401271669-23;10/23	444.28
10/26/2023	135952	Wisconsin Public Service	FIRE DEPT	100-52200-2220	0401271669-03;10/23	120.82
10/26/2023	135952	Wisconsin Public Service	GENERATOR	660-59588-2220	0401271669-38;10/23	15.65
10/26/2023	135952	Wisconsin Public Service	3801 Mishicot Rd.	100-54910-2220	0401271669-09;10/23	43.36
10/26/2023	135952	Wisconsin Public Service	Pavillion	100-55200-2220	0401271669-42;10/23	16.66
10/26/2023	135952	Wisconsin Public Service	WARM BLDG	100-55200-2220	0401271669-12;10/23	15.65
Total 135952:						656.42
10/26/2023	135953	Wisconsin Retirement System	Sept 2023 Contributions	100-21520	10/20/2023	124,760.11
Total 135953:						124,760.11
10/27/2023	135954	U.S. Bank-Debit Memo	Credit Card Usage - Sept 2023/Oct 2023	100-16000	STATEMENT 10/6/2023	60,428.89
Total 135954:						60,428.89
Grand Totals:						1,825,702.83



**TWO
RIVERS**
WISCONSIN

POLICE DEPARTMENT

Section 10, Item A.

1717 E. Park Street
P.O. BOX 87
Two Rivers, WI 54241-0087



Date: October 31, 2023
To: Gregory E. Buckley, City Manager
From: Ben Meinnert, Chief of Police
Ref: Amended Ordinances:

Revisited amendment to an ordinance (9-8-8) regarding adult entertainment businesses with map of current ordinance, map of amended ordinance, and documentation from Attorney Thuermer for Council review.

After review and discussion of the Two Rivers Municipal Code ordinances regarding noise and/or vibrations (9-2-5) and beer gardens (6-1-19), City Council directed staff to amend those ordinances with extended time allowance on weekends and consistent verbiage and requirements. Staff has also included amendment suggestions regarding sidewalk cafes (6-10-5) to maintain consistency across municipal code.

Sec. 9-8-8. Separation of adult entertainment businesses.

In July of 2023, our neighboring jurisdiction, Manitowoc passed amendments to their adult entertainment ordinance extending restrictions of such businesses to 1000 feet from any school, public library, day-care facility, recreational facility, place of worship, church senior/elderly housing facility, park or playground, and any other tavern with a fermented beverage license. This ordinance amendment will look to stay consistent with the distance restrictions and verbiage of our neighboring jurisdiction. City Council requested maps prepared and reflective of our current ordinance as well as maps reflective of our proposed amended ordinance. In addition, guidance from City Attorney Thuermer with documentation regarding the research through Manitowoc, evidenced the City maintain over 2% availability for such business. City Engineering provided that the Woodland Dr Industrial Park alone provides for approximately 7% of availability for such business.

Sec. 9-2-5 Loud and Unnecessary Noises – amend ordinance to reflect extended hours and decibel level requirements to 11:00 p.m. on Friday and Saturday nights as directed by Council, change hours to 6:00 a.m to reflect consistency with Sidewalk Café's, add the same time requirements to that portion regarding vibrations from excessive sound generation as well as require verification of vibrations by an officer.





**TWO
RIVERS**
WISCONSIN

POLICE DEPARTMENT

Section 10, Item A.

1717 E. Park Street
P.O. BOX 87
Two Rivers, WI 54241-0087



Sec. 6-1-19 Beer Gardens regulated – amend ordinance to reflect the same allowable hours for amplified sound or music as Sec 9-2-5 while remaining consistent with hours of operation of Sidewalk Café's Sec. 6-10-5.

Sec 6-10-5 Sidewalk Café Permits – amend ordinance to reflect hours of operation consistent with Beer Gardens Sec 6-1-19.



Sec. 9-8-8. Separation of adult entertainment businesses.

- A. In this section, "adult entertainment business" includes but is not limited to an adult cabaret and adult establishment, as defined in section 9-8-4 of this Code.
- B. No more than one adult entertainment business may be established on any one parcel, and any adult entertainment business shall be at least ~~500~~1000 feet from any other adult entertainment business, or any establishment licensed as a Class B tavern that sells intoxicating liquor.
- C. No adult entertainment business shall be permitted within ~~500~~ 1000 feet of any senior/elderly housing facility or land zoned for residential use.
- D. No adult entertainment business shall be permitted within ~~500~~ 1000 feet of any medical clinic or hospital facility.
- E. No adult entertainment business shall be permitted within ~~500~~1000 feet from any public or private educational facility, library, church or place of worship. The foregoing shall include but is not limited to any child day-care establishment, nursery school, high school, vocational school, secondary school or special education school. "School" includes school grounds.
- F. No adult entertainment business shall be permitted within ~~500~~ 1000 feet from any public park or city-owned recreational area, including but not limited to a park, playground, swimming pool, athletic field, basketball, volleyball or tennis court, or other similar land owned by the City of Two Rivers.
- G. Distances are to be measured in a straight line, without regard to intervening structures or objects, from the nearest portion of the building or structure used as the part of the premises where an adult entertainment business is conducted to the nearest property line of the premises of a use listed in subsections A. through E F.

B. Class B Taverns

- | | |
|------------------------|------------------------------|
| 1. 3114 Memorial Dr | 15. 3312 Lincoln Ave. |
| 2. 2210 Garfield St | 16. 1822 Adams St. |
| 3. 2014 Washington St | 17. 4220 Memorial Dr |
| 4. 1402 16th St | 18. 1407 16th St |
| 5. 1820 Jefferson St | 19. 3310 Memorial Dr |
| 6. 1515 Memorial Dr | 20. 1916 Washington St |
| 7. 1713 East St | 21. 1616 Washington St. |
| 8. 3911 Lincoln Ave | 22. 3337 Mishicot Rd. |
| 9. 1513 Washington St | 23. 1019 17th St |
| 10. 4317 Tannery Rd | 24. 2022 Washington St |
| 11. 1811 19th St | 25. 2113 Jefferson St |
| 12. 1215 26th St | 26. 1816 10 th St |
| 13. 1311 Madison St | 27. 1410 Washington St |
| 14. 1718 West Park St. | |

Churches/House of Worship

- | | |
|-----------------------------|-----------------------------|
| 1. 1921 Adams St | 6. 1969 Roosevelt Ave |
| 2. 1029 33 rd St | 7. 3234 Mishicot Rd |
| 3. 2801 Garfield St | 8. 3607 45 th St |
| 4. 2140 34 th St | 9. 3201 Mishicot |
| 5. 2500 Washington St | |

Schools/Daycares

- | | |
|-----------------------------|-----------------------------|
| 1. 4519 Lincoln Ave | 6. 4020 Memorial Dr |
| 2. 3502 Glenwood St | 7. 2314 Washington St |
| 3. 1114 Lowell St | 8. 1029 33 rd St |
| 4. 4608 Bellevue Ave | 9. 4404 Bellevue Ave |
| 5. 3607 45 th St | |

Clinics/Hospitals

- | | |
|----------------------|-----------------------|
| 1. 2219 Garfield St | 4. 5000 Memorial Dr |
| 2. 800 Lakefront Way | 5. 1400 Washington St |
| 3. 5300 Memorial Dr | 6. 1516 Washington St |

Senior/Elderly Living

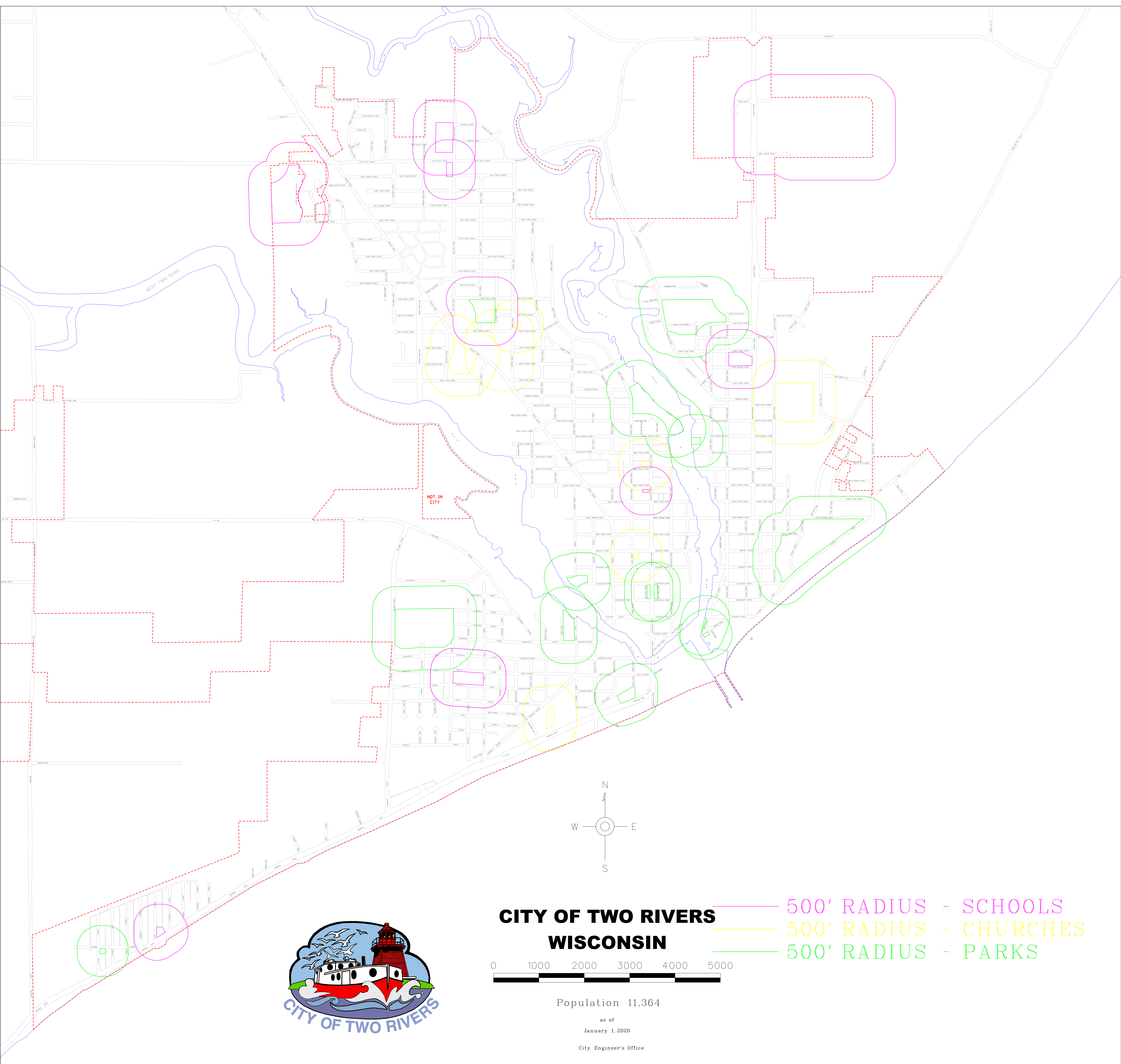
- 1. 1 Hamilton Dr
- 2. 2500 Garfield St
- 3. 4606 Mishicot Rd
- 4. 1110 Victory St
- 5. 2741 45th St

Library

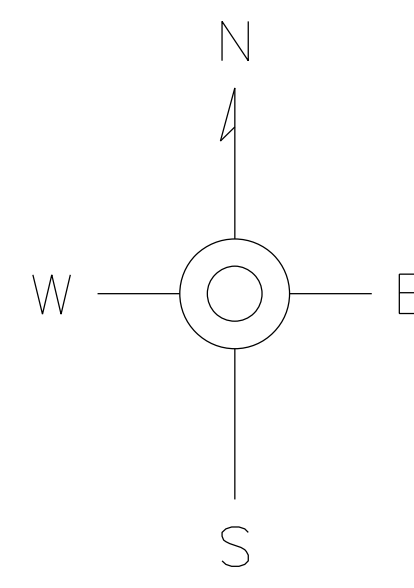
- 1. 1001 Adams St

City Park/Recreational areas

- 1. Central Park West
- 2. Central Park East
- 3. Neshotah Park
- 4. Washington Park
- 5. Riverside/Skate Park
- 6. Harbor Park
- 7. Paddler's Park
- 8. Vietnam Vets Memorial Park
- 9. Zander Park
- 10. Lakeshore Park
- 11. Taylor Park
- 12. Veteran's Park and Boat Launch



NOT IN CITY



**CITY OF TWO RIVERS
WISCONSIN**

- 500' RADIUS - SCHOOLS
- 500' RADIUS - CHURCHES
- 500' RADIUS - PARKS

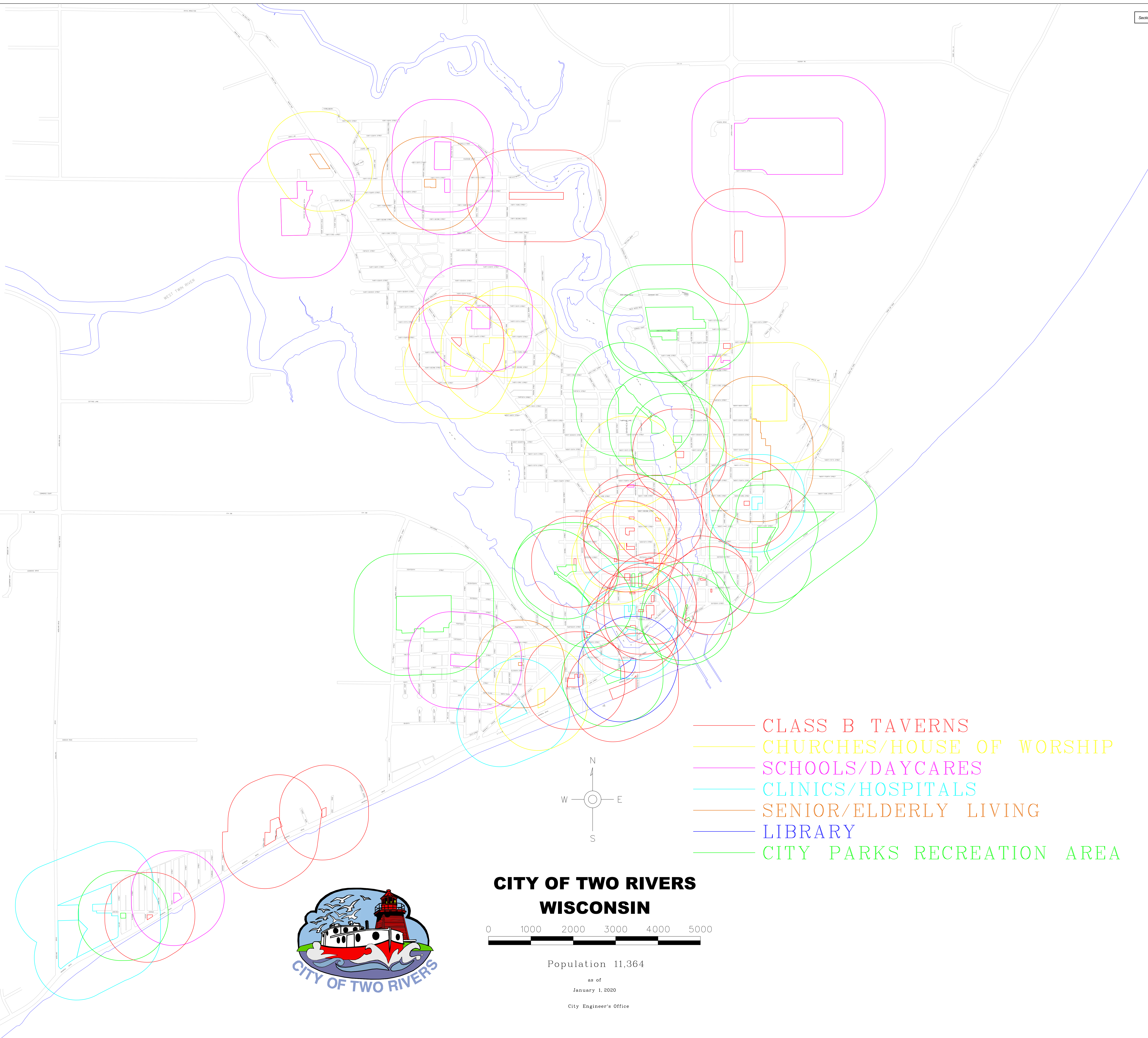


Population 11,364

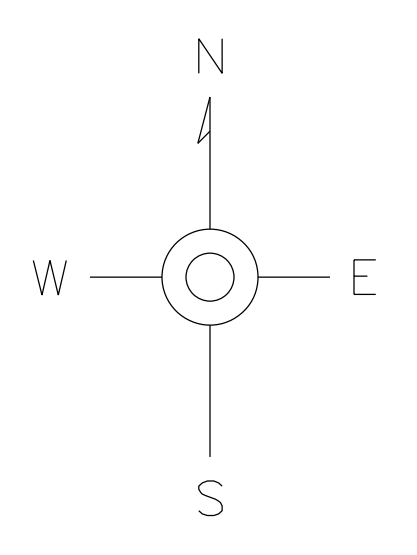
as of
January 1, 2020

City Engineer's Office





- CLASS B TAVERNS
- CHURCHES/HOUSE OF WORSHIP
- SCHOOLS/DAYCARES
- CLINICS/HOSPITALS
- SENIOR/ELDERLY LIVING
- LIBRARY
- CITY PARKS RECREATION AREA



**CITY OF TWO RIVERS
WISCONSIN**



Population 11,364
as of
January 1, 2020
City Engineer's Office



**AERIAL MAP
2010**



CITY OF MANITOWOC

WISCONSIN, USA
www.manitowoc.org

June 28, 2023

TO: Members of the Finance Committee
FROM: Eric Nycz, Interim City Attorney
Re: Proposed Revision to MMC 11.030

Issue Presented

Over the last 8 years, Exotica's (an adult entertainment tavern) alternated between being the first or second most active location in the city for police calls and criminal (and related) activity. (See attached incident summary prepared by Deputy Chief Corie Pusel). Based on additional research by this Office, that result is unsurprising. Adult entertainment taverns tend to further the increase of criminal and other offensive activity, to say nothing for how they depreciate the value of real property in the areas where they are located and the disruption of peace and order. However, some of the activities that occur within adult entertainment taverns are protected as expression under the First, Fourth, Fifth, Ninth and Fourteenth Amendments to the United States Constitution, and rightly so. Therefore, municipalities sometime struggle with how to properly regulate these entities while balancing the interests of protecting the public health, safety and general welfare of their citizens with the rights of expression by performers operating at these entities. Fortunately, a 1986 Supreme Court case, *City of Renton v. Playtime Theatres, Inc.*, 475 U.S. 41, laid the groundwork for municipalities to understand how to balance the substantial government interest in protecting the public health, safety and general welfare of its citizens with constitutionally protected freedom of expression.

City of Renton v. Playtime Theatres, Inc.

Renton, a city of 32,000 located just south of Seattle, adopted an ordinance requiring adult theaters to be located at least 1,000 feet from any residential zone, residence, church, park, or school. The effect of this was to leave only 520 acres, about 5 percent of the city's land area, available for use by adult theaters.

Justice Renquist, writing for a six-member majority of the Court, held that Renton's ordinance should be reviewed as a content neutral time, place, and manner restriction on free speech. The ordinance was deemed to be "content neutral" even though there was differential treatment of theaters based on the type of films being shown. The court reasoned that the content of the films was not the basis of the ordinance because the city council's "predominate concern" in adopting it was the secondary effects of adult theaters on the surrounding neighborhood. The court held that the critical inquiry in determining the validity of a restriction on the location of premises for adult uses is whether the ordinance "is designed to serve a substantial governmental interest and allows for reasonable alternative avenues of communication."

There are several particularly notable aspects of the *Renton* decision.



First, the Court did not impose particularly stringent requirements on the degree of effort a local government must undertake to demonstrate the need for regulation of adult businesses. In *Renton*, the governing board’s findings relative to secondary impacts, which formed the basis for establishing the city’s requisite substantial interest, were added to the ordinance after litigation was commenced. Also, the city was allowed to rely on studies prepared by neighboring Seattle, rather than having to document any negative secondary impacts of adult theaters in Renton itself. The court held studies from other locations could be the basis of the restriction “so long as whatever evidence the city relies upon is reasonably believed to be relevant to the problem the city addresses.”

Second, the court allowed the regulations to be imposed as a preventive rather than a corrective measure; there were no adult establishments at all present in Renton when the ordinance was adopted.

Third, the court allowed a substantial restriction, but not total exclusion, on the availability of permissible sites for adult entertainment. The court held that leaving 5 percent of the city’s land area potentially open to adult uses allowed “reasonable alternative avenues” for protected speech. The court noted that while the city could not effectively deny the opportunity to open and operate an adult theater within the entire city, the adult entertainment operators would have to fend for themselves in the real estate market. The city has no obligation to assure that sites are readily available at bargain prices.

Further caselaw, including *City of L.A. v. Alameda Books*, 535 U.S. 425 (2002), have expanded the state’s authority to regulate this area by making the analogy that newspaper factories might cause pollution absent regulation. Such a company certainly has the right to print newspapers; however, newspaper companies must succumb to environmental laws. The same general idea applies here. The right of expression exists, but the state has the authority to (and mandate) to reduce crime and protect the health, safety, and welfare of its citizens.

Literature Review

Deputy Chief Pusel’s findings are consistent with the literature that staff reviewed; adult entertainment businesses, generally, and adult entertainment taverns specifically, increase crime. They also reduce surrounding property values and contribute to blight. The following citations are provided should any member of the Common Council wish to review the literature supporting Deputy Chief Pusel’s local findings.

- Survey of DFW Appraisers: Land Use Effects on Property Values, Cooper/Kelly, DFW, TX, 2004
- Do Peep Shows ‘Cause’ Crime? McCleary/Meeker. *Journal of Sex Research*, 43:194-196, 2006.
- “Rural Hotspots: The Case of Adult Businesses,” McCleary, *Criminal Justice Policy Review*, 19:153-163; 2008.
- “Summaries of SOB Land Use Studies,” National Law Center for Children and Families, 2005.
- “Police Report and Citizens Report regarding Adult Entertainment Ord.,” Tucson, AZ, 1990.
- “Survey of Florida Appraisers: Effects of Land Uses on Surrounding Property Values,” prepared by Duncan Associates and Cooper Consulting for Palm Beach County, May 2008



- Kansas City, MO: “Adult Use Study: Summary and Recommendations,” prepared by Eric Damian Kelly and Connie B. Cooper for the City of Kansas City, April 1998.

Recommendations

After an extensive jurisdictional and literature review, it is the recommendation of this Office that the City of Manitowoc update its licensure ordinance for adult entertainment taverns to restrict licensees from operating near areas where children are likely to be present. The vast majority of Wisconsin municipalities have similar provisions in their ordinances, including the following similarly-sized cities:

- Brookfield
- Caledonia
- De Pere
- Fitchburg
- Fond du Lac
- Franklin
- Germantown
- Howard
- La Crosse
- Menomonee Falls
- Middleton
- Muskego
- Neenah
- Oak Creek
- Onalaska
- Oshkosh
- Pleasant Prairie
- Sheboygan
- South Milwaukee
- Stevens Point
- Superior
- Wauwatosa
- West Allis
- West Bend

It is further recommended that the ordinance prevent operations near other establishments licensed to sell intoxicating liquor for consumption on premises. The literature supports a “multiplier” effect, which we found was present with Exotica’s (Legend Larry’s, a tavern, was located on the same block, etc.). Numerous other municipalities have this legal restriction as well. Both restrictions as drafted in the attached draft ordinance would serve to protect the public health, safety and general welfare of Manitowoc’s citizens, and thanks to the excellent work of City GIS Coordinator Jeremy Du Chateau, staff has determined that the proposed revisions do not impermissibly infringe upon the constitutional rights of expression of anyone seeking an adult entertainment tavern license.

Therefore, staff recommends that the Committee endorse these revisions and advise the Common Council to adopt the attached ordinance at the next Common Council meeting. Thank you for your consideration.

A23-00151 Adult Entertainment Ordinance Revision

From: Eric Nycz (enycz@manitowoc.org)

To: jthuermer@aol.com

Date: Monday, October 16, 2023 at 04:10 PM CDT

Hi Joe – here's the memo. Renton had 5%, City of Alameda might have had less. I looked at a lot of cases but the bottom line is that at 2% you are safe. (ie – these regulations are consistently upheld in 2% or more open space).

**** Attached file(s):**

Memo to Common Council re Proposed Revision to MMC 11.030.DOCX



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122.2kB

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ORDINANCE

AN ORDINANCE to amend Municipal Code Section 9-8-8, Separation of Adult Entertainment Businesses.

The Council of the City of Two Rivers ordains as follows:

SECTION 1. That Section 9-8-8 of the Municipal Code shall hereby be amended as follows:

- A. In this section, "adult entertainment business" includes but is not limited to an adult cabaret and adult establishment, as defined in section 9-8-4 of this Code.
- B. No more than one adult entertainment business may be established on any one parcel, and any adult entertainment business shall be at least 1000 feet from any other adult entertainment business, or any establishment licensed as a Class B tavern that sells intoxicating liquor.
- C. No adult entertainment business shall be permitted within 1000 feet of any senior/elderly housing facility or land zoned for residential use.
- D. No adult entertainment business shall be permitted within 1000 feet of any medical clinic or hospital facility.
- E. No adult entertainment business shall be permitted within 1000 feet from any public or private educational facility, library, church or place of worship. The foregoing shall include but is not limited to any child day-care establishment, nursery school, high school, vocational school, secondary school or special education school. "School" includes school grounds.
- F. No adult entertainment business shall be permitted within 1000 feet from any public park or city-owned recreational area, including but not limited to a park, playground, swimming pool, athletic field, basketball, volleyball or tennis court, or other similar land owned by the City of Two Rivers.
- G. Distances are to be measured in a straight line, without regard to intervening structures or objects, from the nearest portion of the building or structure used as the part of the premises where an adult entertainment business is conducted to the nearest property line of the premises of a use listed in subsections A. through F.

SECTION 5. This ordinance shall take effect and be in force from and after its date of passage and publication of same.

Dated this 6th day of October, 2023.

Adam Wachowski
President, City Council

Gregory E. Buckley
City Manager

Attest:

Amanda Baryenbruch
City Clerk

Approved as to form and legality:

John M. Bruce
City Attorney

Sec. 9-2-5. Loud and unnecessary noises.

- A. *Loud and unnecessary noise prohibited.* It shall be unlawful for any person to make, continue or cause to be made or continued any loud and unnecessary noise.
- B. *Types of loud and unnecessary noises.* The following acts are declared to be loud, disturbing and unnecessary noises in violation of this section, but this enumeration shall not be deemed to be exclusive:
 - (1) *Horns, signaling devices.* The sounding of any horn or signaling device on any automobile, motorcycle or other vehicle on any street or public place in the city for longer than three seconds in any period of one minute or less, except as a danger warning; the creation of any unreasonable loud or harsh sound by means of any signaling device and the sounding of any plainly audible device for an unnecessary and unreasonable period of time; the use of any signaling device except one operated by hand or electricity; the use of any horn, whistle or other device operated by engine exhaust; and the use of any signaling device when traffic is for any reason held up.
 - (2) *Radios, phonographs, similar devices.*
 - (a) The using, operating or permitting to be played, used or operated any radio receiving set, musical instrument, phonograph or other machine or device for the producing or reproducing of sound in a manner exceeding the maximum permissible sound levels set forth in section 9-2-5.C.(1)(a).
 - (b) The using, operating or permitting to be played, used or operated any radio receiving set, musical instrument, phonograph or other machine or device for the producing or reproducing of sound between the hours of 10:00 p.m. and ~~7~~6:00 a.m. **Sunday through Thursday, and between the hours of 11:00 p.m. and 6:00 a.m. Friday and Saturday** in a manner as to be plainly audible within an enclosed structure used for residential purposes and located on a residentially zoned parcel shall be prima facie evidence of a violation of this section. Violations of this subsection shall require the verification by an officer and an identified complainant.
 - (3) *Loudspeakers, amplifiers for advertising.* The using, operating or permitting to be played, used or operated of any radio receiving set, musical instrument, phonograph, loudspeaker, sound amplifier or other machine or device for the producing or reproducing of sound which is cast upon the public streets for the purpose of commercial advertising or attracting attention of the public to any building or structure. Announcements over loudspeakers can only be made by the announcer in person and without the aid of any mechanical device.
 - (4) *Animals, birds.* The keeping of any animal or bird which by causing frequent or long continued unnecessary noise shall disturb the comfort or repose of any persons in the vicinity.
 - (5) *Steam whistles.* The blowing of any steam whistle attached to any stationary boiler except to give notice of the time to begin or stop work or as a warning of fire or danger or upon request of proper city authorities.
 - (6) *Exhausts.* The discharge into the open air of the exhaust of any steam engine, stationary internal combustion engine or motorboat except through a muffler or other device which will effectively prevent loud or explosive noises therefrom.
 - (7) *Construction or repair of buildings.* The erection (including excavation), demolition, alteration or repair of any building, as well as the operation of any pile driver, steam shovel, pneumatic hammer, derrick, steam or electric hoist, or any other similar equipment attended by loud or unusual noise, other than between the hours of 7:00 a.m. and 10:00 p.m. on weekdays; provided, however, the city manager shall have the authority, upon determining that the loss or inconvenience which would result to any party in interest would be extraordinary and of such nature as to warrant special consideration, to

grant a permit for a period necessary within which time such work and operation may take place within the hours of 10:00 p.m. to 7:00 a.m.

- (8) *Schools, courts, churches, hospitals.* The creation of any excessive noise on any street adjacent to any school, institution of learning, church or court while in use, or adjacent to any hospital, which unreasonably interferes with the normal operation of that institution or which disturbs or unduly annoys patients in the hospital, provided that conspicuous signs are displayed in those streets indicating a school, hospital, church or court street.
- (9) *The provisions of this section shall not apply to:*
 - (a) Any vehicle of the city while engaged in necessary public business.
 - (b) Excavations or repairs of streets or other public construction by or on behalf of the city, county, or state at night when public welfare and convenience renders it impossible to perform such work during the day.
 - (c) The reasonable use of amplifiers or loudspeakers in the course of public addresses which are noncommercial in character.

C. *Noise limits.*

- (1) *Maximum permissible sound levels.*
 - (a) Noise from a stationary source shall not exceed the following standards for maximum sound pressure levels as measured on an A-weighted scale (dbA) and measured as outlined in subsection G.(2) below. "Business to residential" readings are sound pressure levels emanating from a parcel zoned business as measured on a parcel zoned as residential. "All other zones to residential" are sound pressure levels emanating from a parcel zoned other than residential or business as measured on a parcel zoned as residential.

Zone					
Times	Residential [db(A)]	Business [db(A)]	All Other Zones [db(A)]	Business to Residential [db(A)]	All Other Zones to Residential [db(A)]
Daytime— 7 6:00 a.m. to 10:00 p.m. Sun-Thurs; 6:00 a.m. to 11:00 p.m Fri- Sat	60	70	75	65	75
Nighttime— 10:00 p.m. to 7 6:00 a.m. Sun- Thurs; 11:00 p.m to 7:00 a.m. Fri-Sat	50	70	75	60	75

- (b) "Ambient noise" is the all-encompassing noise associated with a given source, usually being a composite of sounds with many sources near and far, but excluding the noise source being measured. Ambient noise is a factor, and the subject noise shall exceed the ambient noise by five decibels (db) in any octave band to be designated excessive.

- (c) Pure tones and impulsive noises are factors. Five noise rating numbers shall be taken from the table in subsection C.(1)(a), above, if the subject noise consists primarily of a pure tone or if it is impulsive in character.
- (2) *Construction noise.* Construction equipment in any zone may be operated between the hours of 7:00 a.m. to 7:00 p.m., provided that said equipment does not exceed a maximum sound pressure level of 80 db(A) measured at the property line of the location at which said equipment is in use.
- (3) *Noise in residential districts.* In residential zones, the person in violation of this section shall be ordered to reduce the sound pressure to acceptable levels immediately by the monitoring officer.
- D. *The causing of vibrations from excessive sound generation.* The creation of sound waves by any operation or activity of such frequency and/or decibel levels that the sound causes vibrations to structural components, walls, glass, windows, or doors of a residence and/or vibrations to personal property contents of a residence beyond the lot line of its source which would unreasonably disturb or unduly annoy occupants, detectable by either visual observation, touch or by secondary audible noise emanating from the personal property resulting from the vibration of such objects by sound waves originating from outside of the residence **between the hours of 10:00 p.m. and 6:00 a.m Sunday through Thursday, and between the hours of 11:00 p.m. and 6:00 a.m. Friday and Saturday**, shall constitute a violation of this section, regardless of whether the maximum permissible sound levels set forth in section 9-2-5.C.(1)(a) are met or exceeded. **Violations of this subsection shall require the verification by an officer and an identified complainant.**
- E. *Operation of certain equipment.* Lawn mowers, chain saws, powered garden equipment, electric insect-killing/insect-repelling devices, and other nonconstruction maintenance equipment shall be operated only during the hours between 7:00 a.m. and 9:00 p.m. unless within the specified noise levels measured at the property line of the location at which said equipment is in use.
- F. *Exemptions.* Operation of emergency equipment shall be exempt from this chapter. Emergency equipment shall include government-owned or government-contracted vehicles, machinery and equipment used to provide emergency medical (ambulance), police, fire and snow and ice control services. Privately owned vehicles, machinery and equipment used for snow and ice control and removal on private property shall also be exempt from the provisions of this chapter, provided such vehicle, machinery or equipment is not determined to be emitting excessive noise due to lack of repair or maintenance. The city manager or his/her designee may also grant temporary exemptions to the provisions of this chapter when such exemptions are deemed to be in the public interest.
- G. *Methods of measuring noise.*
 - (1) *Equipment.* Noise measurement shall be made with a sound level meter.
 - (2) *Location of noise meter.* Noise measurement shall be made at the nearest lot line of the premises from which a noise complaint is received. Absent an identified location of the complainant, measurements shall be taken at the lot line of the property generating the noise. The noise meter shall be placed at a height of at least three feet above the ground and at least three feet away from the walls, barriers, obstructions, and all other sound reflective surfaces.
- H. *Control of nighttime noise emitted from residential air conditioners.*
 - (1) No person shall install, operate, or use any residential air conditioner which creates a noise level in a sleeping room in any dwelling unit located on any adjacent premises in the excess of five decibels above the ambient noise level at the location being measured.
 - (2) Upon receiving a complaint, the police department will conduct a noise survey through the use of a sound level meter. The sound pressure level should be measured in a sleeping room in the complainant's premises with the sound level measuring microphone placed three feet from an open

window nearest to the source of the noise and not less than three feet above the floor of the room in which the measurement is made.

- I. *Appeals.* The city manager may grant an exemption to individuals proving evidence of substantial hardship. Evidence that reasonable technological attempts have been made to correct the problem shall be considered grounds for granting an exemption to this chapter for existing industries.

(Amended 1-20-2020; 10-5-2020; 11-30-2020)

ORDINANCE

AN ORDINANCE to amend Municipal Code Sections 9-2-5 B(2)(b) Radios, phonographs, similar devices; 9-2-5 C(1)(a) Noise Limits and; 9-2-5 D the causing of vibrations from excessive sound generation, entitled loud and unnecessary Noises.

The Council of the City of Two Rivers ordains as follows:

SECTION 1. That Section 9-2-5 B(2)(b) Radios, phonographs, similar devices of the Municipal Code shall hereby be amended as follows:

- (2) Radios, phonographs, similar devices.
 - (b) The using, operating or permitting to be played, used or operated any radio receiving set, musical instrument, phonograph or other machine or device for the producing or reproducing of sound between the hours of 10:00 p.m. and 6:00 a.m Sunday through Thursday, and between the hours of 11:00 p.m. and 6:00 a.m. Friday and Saturday in a manner as to be plainly audible within an enclosed structure used for residential purposes and located on a residentially zoned parcel shall be prima facie evidence of a violation of this section. Violations of this subsection shall require the verification by an officer and an identified complainant.

SECTION 2. That Section 9-2-5 C(1)(a) Noise limits of the Municipal Code shall hereby be amended as follows:

C. Noise limits.

- (1) Maximum permissible sound levels.
 - (a) Noise from a stationary source shall not exceed the following standards for maximum sound pressure levels as measured on an A-weighted scale (dbA) and measured as outlined in subsection G.(2) below. "Business to residential" readings are sound pressure levels emanating from a parcel zoned business as measured on a parcel zoned as residential. "All other zones to residential" are sound pressure levels emanating from a parcel zoned other than residential or business as measured on a parcel zoned as residential.

Times	Zone				
	Residential [db(A)]	Business [db(A)]	All Other Zones [db(A)]	Business to Residential [db(A)]	All Other Zones to Residential [db(A)]
Daytime—6:00 a.m. to 10:00 p.m. Sun-Thurs; 6:00 a.m. to 11:00 p.m Fri-Sat	60	70	75	65	75
Nighttime—10:00 p.m. to 6:00 a.m. Sun-Thurs; 11:00 p.m to 7:00 a.m. Fri-Sat	50	70	75	60	75

SECTION 3. That Section 9-2-5 D the causing of vibrations from excessive sound generation of the Municipal Code shall hereby be amended as follows:

D. The causing of vibrations from excessive sound generation. The creation of sound waves by any operation or activity of such frequency and/or decibel levels that the sound causes vibrations to structural components, walls, glass, windows, or doors of a residence and/or vibrations to personal property contents of a residence beyond the lot line of its source which would unreasonably disturb or unduly annoy occupants, detectable by either visual observation, touch or by secondary audible noise emanating from the personal property resulting from the vibration of such objects by sound waves originating from outside of the residence between the hours of 10:00 p.m. and 6:00 a.m Sunday through Thursday, and between the hours of 11:00 p.m. and 6:00 a.m. Friday and Saturday , shall constitute a violation of this section, regardless of whether the maximum permissible sound levels set forth in section 9-2-5.C.(1)(a) are met or exceeded. Violations of this subsection shall require the verification by an officer and an identified complainant.

SECTION 4. This ordinance shall take effect and be in force from and after its date of passage and publication of same.

Dated this 6th day of November, 2023.

Adam Wachowski
President, City Council

Gregory E. Buckley
City Manager

Attest:

Amanda Baryenbruch
City Clerk

Approved as to form and legality:

John M. Bruce
City Attorney

ORDINANCE

AN ORDINANCE to amend Municipal Code Sections 6-1-19 H(5) Amplified sound or music and 6-1-19 I Hours of operation, entitled Beer gardens regulated.

The Council of the City of Two Rivers ordains as follows:

SECTION 1. That Section 6-1-19 H(5) Amplified sound or music of the Municipal Code shall hereby be amended as follows:

H. Standards and conditions.

- (5) Amplified sound or music is prohibited between the hours of 10:00 p.m. and 6:00 a.m Sunday through Thursday, and between the hours of 11:00 p.m. and 6:00 a.m. Friday and Saturday. Noise from any source that is emitted from the outdoor area shall not exceed the standards contained in section 9-2-5, loud and unnecessary noises.

SECTION 2. That Section 6-1-19 I Hours of operation of the Municipal Code shall hereby be amended as follows:

- I. Hours of operation. The beer garden shall remain closed to the public between the hours of 10:00 p.m. and 6:00 a.m Sunday through Thursday, and between the hours of 11:00 p.m. and 6:00 a.m. Friday and Saturday.

SECTION 3. This ordinance shall take effect and be in force from and after its date of passage and publication of same.

Dated this 6th day of November, 2023.

Adam Wachowski
President, City Council

Gregory E. Buckley
City Manager

Attest:

Amanda Baryenbruch
City Clerk

Approved as to form and legality:

John M. Bruce
City Attorney

ORDINANCE

AN ORDINANCE to amend Municipal Code Section 6-10-5 J Hours of operation, entitled Sidewalk café permits.

The Council of the City of Two Rivers ordains as follows:

SECTION 1. That Section 6-10-5 J Hours of operation of the Municipal Code shall hereby be amended as follows:

- J. Hours of operation. Sidewalk cafes shall remain closed to the public between the hours of 10:00 p.m. and 6:00 a.m Sunday through Thursday, and between the hours of 11:00 p.m. and 6:00 a.m. Friday and Saturday.

SECTION 3. This ordinance shall take effect and be in force from and after its date of passage and publication of same.

Dated this 6th day of November, 2023.

Adam Wachowski
President, City Council

Gregory E. Buckley
City Manager

Attest:

Amanda Baryenbruch
City Clerk

Approved as to form and legality:

John M. Bruce
City Attorney

DIRECT ANNEXATION ORDINANCE

The City Council of the City of Two Rivers ordains as follows:

SECTION 1. Pursuant to the provisions of Wisconsin State Statutes Section 66.0217, the following territory presently lying within the Town of Two Rivers, is hereby annexed to the City of Two Rivers:

See attached "Exhibit A"

SECTION 2. The territory described in Section 1 shall be part of the City of Two Rivers for any and all purposes provided by law, and all persons coming to or residing within said territory shall be subject to all ordinances, rules, and regulations governing the City of Two Rivers.

SECTION 3. Pursuant to Section 66.0217(8)(a) of the Wisconsin State Statutes, said territory shall be classified for zoning purposes as R-1, Single Family Residence District.

SECTION 4. Pursuant to Section 66.0217(14) of the Wisconsin State Statutes, the City of Two Rivers hereby agrees to pay the Town of Two Rivers for five (5) years, an amount equal to the amount of property taxes that said Town levied on the annexed territory, as shown by the tax roll under Section 70.65 of the Statutes, in the year in which this annexation is final.

SECTION 5. Upon passage of this ordinance, the City Clerk for the City of Two Rivers is hereby directed to transmit five (5) certified copies of this ordinance, together with five (5) copies of a plat showing the boundaries of the territory attached, to the Secretary of the State of Wisconsin.

SECTION 6. This ordinance shall take effect upon passage and publication hereof.

Dated November 6, 2023.

Adam Wachowski, President, City Council

Gregory E. Buckley, City Manager

Attest:

Amanda Baryenbruch, City Clerk

Approved as to form and legality:

John M. Bruce, City Attorney

EXHIBIT A

ATTACHMENT TO ANNEXATION ORDINANCE

LEGAL DESCRIPTION OF TERRITORY PROPOSED FOR ANNEXATION

An existing tract of land recorded in Volume 3546 on Page 189 of Deeds, being Lot 10 and a portion of Lot 11, all in Block 1, Sandy Bay Subdivision, located in the East $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Section 31, T. 20 N., R. 25 E., Town of Two Rivers, Manitowoc County, Wisconsin and further described as follows:

Commencing at the S $\frac{1}{4}$ Corner of said Section 31; thence N $00^{\circ}10'50''$ W recorded as S $0^{\circ}07'45''$ E along the section line a distance of 1261.13 feet; thence S $89^{\circ}49'10''$ W a distance of 655.27 feet to the northeasterly corner of said Lot 10 and the point of real beginning; thence S $30^{\circ}40'02''$ W recorded as S $30^{\circ}42'45''$ W a distance of 218.00 feet; thence S $29^{\circ}08'02''$ W recorded as S $29^{\circ}10'45''$ W a distance of 21.08 feet; thence N $64^{\circ}04'02''$ W a distance of 261.46 feet; thence N $30^{\circ}40'02''$ E recorded as S $30^{\circ}42'45''$ W a distance of 43.03 feet; thence N $59^{\circ}14'58''$ W recorded as S $59^{\circ}12'15''$ E a distance of 10.00 feet; thence N $30^{\circ}40'02''$ E recorded as S $30^{\circ}42'45''$ W a distance of 218.00 feet; thence S $59^{\circ}14'58''$ E recorded as S $59^{\circ}12'15''$ E a distance of 270.00 feet to the said northeasterly corner of Lot 10 and the point of real beginning.

Said tract contains 67,205 square feet of 1.54 acres of land more or less.

CERTIFIED SURVEY MAP OF AN EXISTING TRACT OF LAND RECORDED IN VOLUME 3546 ON PAGE 189 OF DEEDS, BEING LOT 10 AND A PORTION OF LOT 11, ALL IN BLOCK 1, SANDY BAY SUBDIVISION, LOCATED IN THE EAST 1/2 OF THE SW 1/4 OF SECTION 31, T. 20 N., R. 25 E., TOWN OF TWO RIVERS, MANITOWOC COUNTY, WISCONSIN

Section 10, Item E.

SURVEYOR'S CERTIFICATE

I, James C. Belongia, Professional Land Surveyor with Belongia Land Surveying LLC, do hereby certify that I have surveyed and mapped the following described tract of land.

An existing tract of land recorded in Volume 3546 on Page 189 of Deeds, being Lot 10 and a portion of Lot 11, all in Block 1, Sandy Bay Subdivision, located in the East 1/2 of the SW 1/4 of Section 31, T. 20 N., R. 25 E., Town of Two Rivers, Manitowoc County, Wisconsin and further described as follows; Commencing at the S 1/4 Corner of said Section 31; thence N 00°10'50" W recorded as S 0°07'45" E along the section line a distance of 1261.13 feet; thence S 89°49'10" W a distance of 655.27 feet to the northeasterly corner of said Lot 10 and the point of real beginning; thence S 30°40'02" W recorded as S 30°42'45" W a distance of 218.00 feet; thence S 29°08'02" W recorded as S 29°10'45" W a distance of 21.08 feet; thence N 64°04'02" W a distance of 261.46 feet; thence N 30°40'02" E recorded as S 30°42'45" W a distance of 43.03 feet; thence N 59°14'58" W recorded as S 59°12'15" E a distance of 10.00 feet; thence N 30°40'02" E recorded as S 30°42'45" W a distance of 218.00 feet; thence S 59°14'58" E recorded as S 59°12'15" E a distance of 270.00 feet to the said northeasterly corner of Lot 10 and the point of real beginning.

Said tract contains 67,205 square feet or 1.54 acres of land more or less.

The above description is subject to any and all easements and restrictions of record.

That I have surveyed, divided and mapped under the direction of Edward Zimmeth, owner of said tract of land.

I further certify that the adjacent map is a true representation of said property and correctly shows the exterior boundary lines and correct measurements thereof.

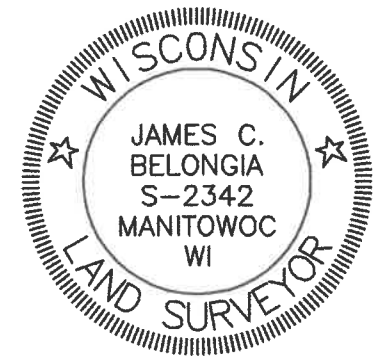
Also that I have fully complied with the requirements of Chapter 236.34 of the Wisconsin Statutes and the Subdivision regulations for the City of Two Rivers.

OWNER'S CERTIFICATE

As owner I hereby certify that I caused the land described on this map to be surveyed, mapped, divided and dedicated as represented on this map.

Dated 09/20/2023

Ed R. Zimmeth
Owner - Edward Zimmeth



DATED: 9-20-2023

James C. Belongia
JAMES C. BELONGIA PLS #2342

ORDINANCE TO AMEND ZONING MAP

AN ORDINANCE to amend the District Map of the City of Two Rivers, Wisconsin, dated March 21, 2005, made a part of Section 10-1-3A(1) of the Municipal Code.

The Council of the City of Two Rivers ordains as follows:

SECTION 1. That pursuant to Section 62.23(7)(d) of the Wisconsin State Statutes, the District Map of the City of Two Rivers, Wisconsin, dated March 21, 2005, made part of Section 10-1-3A(1) of the Municipal Code be and the same is hereby amended in the following respects:

An existing tract of land recorded in Volume 3546 on Page 189 of Deeds, being Lot 10 and a portion of Lot 11, all in Block 1, Sandy Bay Subdivision, located in the East 1/2 of the SW 1/4 of Section 31, T. 20 N., R. 25 E., Town of Two Rivers, Manitowoc County, Wisconsin and further described as follows:

Commencing at the S 1/4 Corner of said Section 31; thence N 00°10'50" W recorded as S 0°07'45" E along the section line a distance of 1261.13 feet; thence S 89°49'10" W a distance of 655.27 feet to the northeasterly corner of said Lot 10 and the point of real beginning; thence S 30°40'02" W recorded as S 30°42'45" W a distance of 218.00 feet; thence S 29°08'02" W recorded as S 29°10'45" W a distance of 21.08 feet; thence N 64°04'02" W a distance of 261.46 feet; thence N 30°40'02" E recorded as S 30°42'45" W a distance of 43.03 feet; thence N 59°14'58" W recorded as S 59°12'15" E a distance of 10.00 feet; thence N 30°40'02" E recorded as S 30°42'45" W a distance of 218.00 feet; thence S 59°14'58" E recorded as S 59°12'15" E a distance of 270.00 feet to the said northeasterly corner of Lot 10 and the point of real beginning.

Said tract contains 67,205 square feet of 1.54 acres of land more or less.

SECTION 2. This ordinance shall take effect upon passage and publication hereof.

Dated November 6, 2023.

Adam Wachowski, President, City Council

Gregory E. Buckley, City Manager

Attest:

Amanda Baryenbruch, City Clerk

Approved as to form and legality:

John M. Bruce, City Attorney

City of Two Rivers

Sec. 7-1-5. Parking in parks.

No person shall park any motor vehicle in any park in the city except in designated parking areas, nor shall any person allow any motor vehicle, trailer, or construction equipment to allow remain parked within any city park during park closing hours, except by permission of the city manager or his designee. The penalty for violation of this section is as provided for in section 8-1-6.C. of the City Code.

Sec. 7-1-6. Park closing hours.

No person shall be within Picnic Hill Park between 10:00 p.m. and 6:00 a.m. No person shall be within any other city parks between 11:00 p.m. and 6:00 a.m. This section shall not apply to persons traveling directly through any park on a city street, and further provided the hours set forth in the section may be adjusted by the city council or city manager, or his designee, for special activities.

--MEMORANDUM--

MEMO TO: City Council

FROM: Gregory E. Buckley
City Manager



DATE: November 2, 2023

SUBJECT: Development Agreement and Easement Agreements Related to
West River Lofts Project

The City Council on June 19, 2023 approved a Tax Incremental Financing, Cash Grant and Developer’s Performance Agreement (“Development Agreement”) for the West River Lofts Project, a \$14.5 million redevelopment project that will create 54 new apartments on a portion of the former Eggers Industries west plant site.

The Council then on July 5, 2023 approved an amended version of the Development Agreement that modified language relative to easements to be granted to the City for an existing waterfront trail and added language providing for a payment in lieu of taxes on the project, should it ever become tax exempt.

In the four months since those approvals, as the Developer has finalized its financing for the project, the Developer and the City have identified the need for some additional changes to the Development Agreement and the related trail easement. These changes are reflected in the attached documents, to be presented for City Council approval at your November 6, 2023 meeting. In summary, these changes include:

1. Separating the Development Site into three parcels:
 - One parcel the site for the apartment building
 - The second parcel the site of the parking lot to serve the apartment building; while split off from the building site and under separate ownership, this parcel will be subject to an easement agreement that keeps it available as an 81-space parking lot for the development.
 - The third parcel a triangular parcel abutting the west bank of the West Twin River at the west end of the CN Railroad bridge. In the prior Development Agreement, the City wanted an easement for the use of this parcel, with the option to purchase at no cost. The new Development Agreement provides for this parcel to be quit-claimed to the City when the Developer closes on its project financing, for no cost. (NOTE: the City has recently received an opinion letter from WDNR, stating that this parcel qualifies for the Local Governmental Unit environmental liability exemption (LGU Exemption.)

2. Moving back the Project Commencement Deadline (from August 15, 2023 to December 1, 2023) and Project Completion Deadline (from December 31, 2024 to May 31, 2025).
3. Providing that the City Affordable Housing Grant to assist the project will not be a direct grant to the Developer, West River Lofts, LLC, but instead a grant to an affiliated organization, CUPED Corporation, which will in turn loan the grant monies to West River Lofts, LLC. Disbursement of those funds will be subject to all of the conditions that were tied to their disbursement in the first Development Agreement.
4. Modifications to the related easements to be granted to the City for construction, repair, maintenance and operation of a waterfront pedestrian trail along the river edge of the property. (Former “Eggers Walkway.”)

City assistance for this major redevelopment project is addressed in the Project Plan for Tax Incremental District (TID) No. 17, adopted by the City Council in September 2022, upon recommendation of the Plan Commission.

Developer Scott Crawford, Inc. of Milwaukee has been working on this project for over two years, first pursuing possible adaptive re-use of the 240,000 former Eggers West Plant and then pursuing the new construction project that is anticipated in the TID 17 Project Plan and has received Site and Architectural Plan approval from the Plan Commission.

This project continues to bring considerable benefit to the community, in return for a relatively small City investment.

Staff recommends approval of the revised Development Agreement with West River Lofts LLC as presented. As was stated in previous staff reports, based on the significant community benefits from this project, which include:

1. Bringing development to a long-vacant, brownfield site; a site that has been identified as a “priority redevelopment site” for the City since the 2000 Comprehensive Plan.
2. Leveraging over \$14.5 million in total investment, with total developer assistance from the City amounting to \$600,000 (\$840,000 with interest at 6.5 percent applied to the pay-go TIF Grant to Developer). This City assistance consists of a \$500,000 pay-go TIF grant with interest at 6.5 percent, plus a \$100,000 grant from the City’s TIF-funded Affordable Housing Fund.
3. Creating new housing opportunities for 54 households at a variety of income levels, with a mix of apartment sizes that includes larger-size apartments that are not easy to come by in the community: 4 one BR, 18 two BR, 18 three BR and 14 four BR.
4. Having the potential to spur redevelopment of the adjacent former Eggers West industrial building and other properties along the west bank of the West Twin River between the Washington Street and Madison Street bridges—an area badly in need of redevelopment.

- 5. Providing TIF funding to invest in upgrading the badly-deteriorated City riverwalk, constructed in the 1980's, that currently runs along the site's river frontage.
- 6. Providing the City with a permanent easement for that riverwalk, to replace the current easement that could be canceled on short notice by the property owner.
- 7. Providing the City with property on the westerly approach to the CN Railway bridge that crosses the West Twin River at this location, thereby providing access for possible future City activity involving the bridge, whether for re-use as a trail connection or for demolition/removal of that structure. (City has been in discussions with CNRR about purchasing its right-of-way within the City limits, and the bridge is part of the deal.)

Our city needs more housing of all kinds, to reverse a decline in population, add to the tax base and utility revenue base, and meet the needs of local employers. We have had good success in recent years with new single family development at the Sandy Bay Highlands subdivision, are engaging with a developer to provide market rate waterfront apartments with The Confluence project, and continue to encourage existing housing rehab through the City's Housing RLF and other efforts.

The West River Lofts will provide new, attractive, affordable housing, further contributing to meeting Two Rivers' housing needs. Once again, we ask the City Council's support for this ambitious redevelopment initiative. All indications are that full financing is in place, all plan approvals are secured, and the project is ready to break ground in the very near future.



**TAX INCREMENTAL FINANCING,
CASH GRANT AND DEVELOPER’S AGREEMENT
RE: MULTI-FAMILY DEVELOPMENT BY WEST RIVER LOFTS LLC
WEST TWIN RIVER WATERFRONT DEVELOPMENT, CITY OF TWO RIVERS, WISCONSIN**

This TAX INCREMENTAL FINANCING, CASH GRANT AND DEVELOPER’S AGREEMENT (this “**Agreement**”) is entered into as of the day of November ____, 2023 (the “**Effective Date**”), by and between THE CITY OF TWO RIVERS, WISCONSIN, a Wisconsin municipal corporation (the “**City**”), having offices located at 1717 East Park Street, Two Rivers, Wisconsin 54241, and WEST RIVER LOFTS LLC, a Wisconsin limited liability company, having offices at 1420 W Center Street, Suite 2, Milwaukee, Wisconsin 53206 (“**Developer**”).

WITNESSETH:

WHEREAS, the City Council has by resolutions dated September 6, 2022 (the “**TID 17 Creation Resolutions**”), adopted the City of Two Rivers Tax Incremental District 17 (“**TID 17**”) and *TID 17 Project Plan*, which is a blight elimination TID and identifies the redevelopment project (the “**Project**”) at a location on the West Twin River, shown on **Exhibit A** (the “**Development Site**”), as well as provides for certain other expenditures within one-half mile of the boundaries of TID 17; and

WHEREAS, Developer has proposed to construct the **Project** described herein on the Development Site and has represented, and hereby affirms, that the Project is contingent upon certain “**City Assistance**” described herein; and

WHEREAS, Section 66.1105 Wis. Stats., authorizes the City to incur project costs, as defined therein, in the discretion of its City Council, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans; and

WHEREAS, the City believes that the Project, more fully described in this Agreement, will promote the revitalization and economic stability of the City.

NOW, THEREFORE, the parties hereto agree as follows:

1. PRELIMINARY MATTERS

A. Recitals. The above recitals are hereby incorporated by reference.

B. Certain Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms as used herein shall have the following meanings:

(1) “Annual Cost of Funds Payment” means an amount intended to cover the City’s annual debt service cost on a 20-year borrowing of \$350,000 for public improvements identified in the TID 17 Project Plan, including improvements to the Trail and Seawall (as defined below) proposed to be located within an easement area to be granted by the

Developer to the City, as addressed herein. Said annual debt service cost is \$33,000, which is the City's estimate for annual debt service on a 20-year, \$350,000 borrowing at 7 percent annual interest.

(2) **"Available Tax Increment"** means, for any given Revenue Year, an amount equal to: the tax increment attributable to the Development Site minus (a) any past-due Shortfall Payment amounts (or unpaid interest owed on any Shortfall Payment) as of January 1 of such Revenue Year, minus (b) Annual Cost of Funds Payment. In the event of a negative number, the Available Tax Increment for such Revenue Year shall be \$0.

(3) **"Base Taxes"** means the real property taxes payable for Tax Year 2023 based on the assessed value of the Development Site as of January 1, 2023.

(4) **"City Assistance"** means the TIF Grant and the TIF Affordable Housing Grant, both described herein.

(5) **"Development Site"** is defined in the Recitals above, and is shown in the attached **Exhibit A**.

(6) **"Memorandum"** means a short form memorandum of this Agreement recorded in the Office of the Register of Deeds for Manitowoc County, Wisconsin. The parties agree that the form of memorandum attached hereto as **Exhibit B** is acceptable to both parties.

(7) **"Private Financing"** means funding available to Developer for purposes of constructing the Project, from equity investors, conventional loan financing through a financial institution licensed to do business in the State of Wisconsin and any other non-City sourced construction financing, as well as permanent phase financing to take-out any sources of financing limited to the construction-phase of the Project.

(8) **"Project"** means the construction of an affordable, 54 unit, multi-family development, called the West River Lofts, on the Development Site, consistent with the Site and Architectural Plans approved by the Plan Commission.

(9) **"Project Commencement Deadline"** means **[December 1, 2023]**.

(10) **"Project Completion"** means Substantial Completion of the Project, in accordance with the plans and specifications previously approved by the City, except for minor punch list items. "Substantial Completion" shall include certification by the Project's architect of substantial completion and full authorization for occupancy of the building(s) by the City's Building Inspector.

(11) **"Project Completion Deadline"** means **[May 30, 2025]**.

(12) **“Project Cost Breakdown”** means a current cost breakdown of construction and non-construction cost items (i.e., a line-item budget), clearly identifying development, engineering, construction, furnishing, equipping, financing, contingency and all other direct and indirect costs of development, construction and installation of the Project in accordance with the Project plans. The Project Cost Breakdown shall also include Developer’s proposed source(s) of funds.

(13) **“Revenue Year”** means any calendar year in which the City is reasonably expected to receive the revenue for such calendar year by reason of the actual payment of real estate taxes. By way of example, 2026 is the Revenue Year for the 2025 Tax Year based on the real estate valuation as of January 1, 2025.

(14) **“Guaranteed Revenue”** means for Revenue year 2026 through Revenue year 2046, annual receipt by the City of net property taxes attributable to the Development Site equal to the sum of (i) the Base Taxes PLUS (ii) the Annual Cost of Funds Payment. The parties agree that the Guaranteed Revenue bears a rational relationship to the City’s estimated costs in connection with this Agreement.

(15) **“Shortfall Payment”** means a payment, if any, to be made by Developer to the City, in the amount of the shortfall of the actual net property taxes received by the City as compared with the Guaranteed Revenue amount for any Revenue Year. The Shortfall Payment is only applicable in Revenue Years 2026 through 2046.

(16) **“Shortfall Payment Deadline”** means June 1 of each Revenue Year.

(17) **“Tax Year”** means each calendar year for which real and personal property taxes are levied.

(18) **“TIF Grant”** means a “pay as you go” grant of the Available Tax Increment for development of the Project in an amount of and not to exceed Five Hundred Thousand Dollars (\$500,000). Said TIF Grant is subject to an interest rate of 6.5%, which shall accrue starting January 1, 2025. Said TIF Grant is to be paid to the Developer from the Available Tax Increment in annual installments starting on the TIF Grant Payment Deadline for Revenue Year 2026.

(19) **“TIF Grant Installment Amount”** for each Revenue Year (commencing in Revenue Year 2026) means the Available Tax Increment for such Revenue Year; provided, however, that in no event shall the cumulative total of all such TIF Grant Installment Amount payments exceed the total TIF Grant plus applicable interest.

(20) **“TIF Grant Payment Deadline”** means December 1, 2026, for Revenue Year 2026, and on each anniversary thereof for each subsequent Revenue Year.

(21) **“TIF Extension for Affordable Housing”** is a one-year extension of tax incremental districts beyond the normal retirement date, under Wisconsin Statue 66.1105(6)(g), and permits the use funds captured during this additional year to assist with affordable housing activities.

(22) **“TIF Affordable Housing Grant”** a grant from the City’s TIF Affordable Housing Fund for the Project in the amount of \$100,000.

(23) **“Payment in Lieu of Taxes” (PILOT)** is a payment made to the City in the place of a tax payment to compensate for tax exempt ownership.

C. **Effectiveness of this Agreement.** This Agreement shall be effective and its terms binding upon the approval by the City Council, signature by the City Manager and City Clerk and the approval of all other agreements and/or transactions that require approval by the City, and approval by the Developer and signature by Developer’s authorized representatives. This Agreement shall be null and void if it has not been signed by authorized representatives of the City and Developer and a fully signed copy of the Agreement provided back to the City by **November 30, 2023**, unless the City and the Developer agree in writing to the contrary.

All of the City’s obligations under this Agreement are contingent upon the occurrence of all of the City Approvals (as defined below), and the City shall have no obligation to make the **TIF Grant** or the **TIF Affordable Housing Grant** to the Developer if all City Approvals have not occurred. In the event the required City Approvals have not been received by the Project Commencement Deadline, this Agreement shall automatically terminate.

2. OBLIGATIONS OF THE CITY

A. TIF Grant.

(i) The City Council has adopted the Two Rivers Tax Incremental District 17 and TID 17 Project Plan. TID 17 is a blight elimination TID as the Development Site is the former location of Newell and Mirro Industries, and as such, is a brownfield site. The Project Plan identifies project costs including the construction costs of a new, 54-unit affordable multi-family development.

(ii) The City hereby agrees to provide a TIF Grant in the amount of \$500,000 in the form of a pay-as-you-go grant at an interest rate at 6.5% to be paid in annual installments resulting in payments to the Developer starting in the Revenue Year 2026 until Revenue Year 2046, subject the Developer’s satisfaction of and continued compliance with the conditions set forth herein. Such payments shall be made only to the extent that there is Available Tax Increment in any Revenue Year. The Developer shall satisfy every one of the following conditions:

- a. Developer shall have obtained and closed on all financing, including all Private Financing, for the construction and operation of the Project;

- b. Developer shall have provided a complete and accurate Project Cost Breakdown to the City;
- c. Developer shall have obtained all necessary consents, permits, and approvals for the Project as shown in the site plans in **Exhibit D** including, but not limited to, zoning, plan approval and building permits, required by the City or any other governmental entity having jurisdiction over the Project ("**City Approvals**"); and
- d. Developer shall have recorded the Memorandum with respect to the parcel that constitutes the Development Site; and
- e. Developer shall have provided satisfactory evidence of all the foregoing to the City as determined by the City in its reasonable discretion.
- f. Provided further that:
 - (1) Developer is not then in default of its obligations under this Agreement;
 - (2) Project Completion was achieved on or prior to the Project Completion Deadline; and
 - (3) The Project is constructed in substantial compliance, as determined by the City in its reasonable discretion, with the plans and specifications that Developer provided to the City pursuant to this Agreement and the consents, approvals or permits issued by any governmental authority with respect to the construction of the Project.

(iii) The TIF Grant shall be payable solely from each Available Tax Increment which has been received and retained by the City in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the City Council to payment of the TIF Grant. The TIF Grant shall be payable in annual installments on or before the TIF Grant Payment Deadline of each Revenue Year, commencing with Revenue Year 2026 (based on the Available Tax Increment generated in 2025) and on each TIF Grant Payment Deadline thereafter (based on Available Tax Increment generated in the immediately preceding Tax Year) in an amount equal to the TIF Grant for the respective Revenue Year; provided, however, that the City may, in its option and in its sole discretion, prepay the TIF Grant in whole or in part at any time.

If the total TIF Grant payments have been insufficient to pay the full TIF Grant after the scheduled installment payable on or before the TIF Grant Payment deadline in Revenue Year 2046 (based on the Available Tax Increments generated in 2045), then the TIF Grant and all interest shall be deemed paid in full, the obligation of the City to make

any further payment shall terminate, and Developer shall have no right to receive any additional payments.

The City makes no representation or covenant, express or implied, that the total Available Tax Increment generated will be sufficient to pay, in whole or in part, the TIF Grant and any applicable interest in any year as provided in this Agreement. Any tax increment received by the City which is not appropriated to pay the TIF Grant may be used by the City for any legally permitted purpose, in its sole discretion.

(iv) The application of Available Tax Increment to payment of the TIF Grant each year is subject to future annual appropriation by the City Council. The City makes no representation or covenant, express or implied, that any non-zero Available Tax Increment will be generated and/or appropriated in any given year, nor does the City make any representation or covenant as to any aggregate amount of Available Tax Increment to be paid to Developer. Any tax increment which is not appropriated and allocated toward the Available Tax Increment may be used by the City for any legally permitted purpose, in its sole discretion.

B. TIF Affordable Housing Grant.

Under Sec. 66.1105, Wis. Stats, a one (1) year extension beyond the normal retirement date of tax incremental districts is permitted to use funds captured during this additional year increment to assist with affordable housing. The City of Two Rivers has adopted resolutions to make use of this law by approving an extension of TID #3, TID #4 and TID #5 and placed in an Affordable Housing Fund for eligible projects.

The City Council adopted TID 17 Project Plan, which includes the construction of new affordable housing. The City has set aside the abovementioned TIF Affordable Housing Grant funds. The City hereby agrees to provide a TIF Affordable Housing Grant in the amount of \$100,000 to CUPED Corporation, an affiliate of Developer, subject to the conditions set forth herein and the Developer's (and CUPED's, as applicable) continued compliance with all terms and conditions herein. The Developer (and CUPED, as applicable) shall satisfy every one of the following conditions prior to payment by the City of said TIF Affordable Housing Grant:

(i) CUPED shall loan the entirety of the \$100,000 TIF Affordable Housing Grant to Developer which shall, in turn, use such grant funds for development of the Project.

(ii) Developer shall have obtained and closed on all financing, including all Private Financing, for the construction and operation of the Project.

(iii) Developer shall have provided a complete and accurate Project Cost Breakdown to the City.

- (iv) Developer shall have obtained all City Approvals.
- (v) Developer shall have recorded the Memorandum with respect to the parcel that constitutes the Development Site.
- (vi) Developer shall have commenced construction of the Project, not later than the Project Commencement Deadline.
- (vii) Developer shall have expended at least \$2 million on the Project, for land acquisition and preparation, building construction and site improvements, and fixtures, furnishings and equipment.
- (viii) Developer shall have provided satisfactory evidence of all the foregoing to the City as determined by the City in its sole discretion.
- (ix) Provided further that the Developer is not then in default of its obligations under this Agreement.

3. OBLIGATIONS OF DEVELOPER

A. Secure Private Financing. Developer shall secure all necessary Private Financing for the Project (including a firm commitment for permanent take-out financing for any construction financing), as defined herein, not later than the Project Commencement Deadline, and shall provide proof of such financing to the City along with the Project Cost Breakdown. For reference, Developer’s preliminary Project budget is attached hereto as **Exhibit C**.

B. Construction and Operation of the Project. Developer shall: (a) proceed to contract with BCM, LLC as to commence construction of the Project following issuance of City Approvals described in this Agreement; such construction shall commence no later than the Project Commencement Deadline; (b) subject to the force majeure provisions contained herein, achieve Project Completion in a manner consistent with this Agreement and with all City Approvals no later than the Project Completion Deadline.

(i) Developer shall expend on the Project an amount equal to not less than \$10 million including land acquisition and preparation, building construction and site improvements, and fixtures, furnishings and equipment and shall provide the City with documentation reasonably acceptable to the City of all Project construction costs, including construction lien waivers.

(ii) Developer will conform and comply with, and shall operate the Project in conformance and compliance with, all applicable federal, state, local and other laws, rules, regulations and ordinances, including without limitation, all zoning and land division laws, rules, regulations and ordinances, all building codes and ordinances of the City, all environmental laws, rules, regulations and ordinances (collectively, “Applicable

Laws”). Developer shall have in effect at all times all permits, approvals and licenses as may be required by any governmental authority in connection with the development, construction and operation of the Project.

(iii) After Project Completion, the Project shall be a new 54-unit multi-family development and the Developer shall not materially modify the Project without the City’s prior written consent. Developer shall maintain the physical condition of the Project and the Property in a commercially reasonable manner and in compliance with any Applicable Laws. Developer shall not materially change the design of the Project without the City’s prior written consent. This subsection shall be in effect until the completion of the Guaranteed Revenue requirement.

(iv) Developer shall provide the City with the identity and contact information of the management company that will manage the Project after it is completed.

C. Payment of Annual Property Taxes; Shortfall Payment. The parties hereto anticipate that the Project and the Development Site will be subject to property taxes, and Developer agrees to pay property taxes on the Project and the Development Site in a timely manner. In the event that the City does not receive the full Guaranteed Revenue amount for any applicable Tax Year, then Developer shall make any applicable Shortfall Payment no later than the Shortfall Payment Deadline of such Revenue Year. Such Shortfall Payments shall be required regardless of whether all or a portion of the Development Site should ever become exempt from property taxes. Any Shortfall Payment or portion thereof not paid when due shall bear interest at the rate of 12.0% per annum from due date until paid.

D. Memorandum. Developer agrees to promptly record the Memorandum with respect to each parcel of the Development Site at the closing of its Private Financing. In the event of any prior mortgage(s), such mortgage(s) shall be promptly subordinated to the Memorandum. Developer shall provide the City with evidence of the relative priority of the Memorandum which is reasonably acceptable to the City.

E. Trail Easement. Developer and City acknowledge and agree that City intends to make certain improvements to the trail and seawall along the West Twin River and situated on a portion of the Development Site, which work the City anticipates dividing into two phases (the “*Trail and Seawall*”). The Developer (and/or its successors or assigns, pursuant to Section 8 below) shall provide the City with a temporary construction and permanent access easement with respect to the Trail and Seawall pursuant to the terms and conditions set forth in the trail easement agreements substantially in the forms attached hereto as **Exhibit E**. For the avoidance of doubt, regardless of the status of completion of City’s Trail and Seawall improvement work, City shall not delay completion of final inspections of Developer’s Project, which City acknowledges and agrees is all that is required under City ordinances prior to Developer taking occupancy of the Project.

F. Triangle Area Acquisition. Developer and City acknowledge and agree that City desires to acquire from Developer a triangular area of the Development Site located along the west bank of the West Twin River adjacent to the CN Railroad Trestle Bridge, as more particularly depicted on **Exhibit F** attached hereto, for future public trail development purposes (the "**Triangle Area**"). On the same date as the closing of Developer's Private Financing, City shall acquire the Triangle Area for no consideration on an "as-is, where-is" basis, with no representations or warranties from Developer as to the condition of the Triangle Area. Developer shall convey the Triangle Area to City by quit claim deed ("**Deed**"). Prior to closing on the City's acquisition of the Triangle Area, at Developer's sole cost, Developer shall cause the Triangle Area to be divided from the Development Site as a separate legal parcel by certified survey map; provided, however, City shall cooperate in Developer's commercially reasonable efforts to cause the land to be divided. City shall pay the cost of recording the Deed. Developer shall not be obligated to provide City with any title commitment or policy for the Triangle Area. Developer and City acknowledge and agree that Developer's conveyance of the Triangle Area to the City shall be exempt from real estate transfer fee pursuant to Wisconsin Statutes § 77.25(2r).

G. Payment in Lieu of Taxes.

(i) If the Project becomes exempt from real property taxes at any time, for any reason, prior to Tax Year 2045, Developer shall make a payment in lieu of taxes ("**PILOT**") to the City in each subsequent Revenue Year, through Revenue Year 2046, in an amount equal to the greater of:

- a. Guaranteed Revenue as that term is defined herein; or
- b. The most recent assessed value for the Project as a taxable property multiplied by the total local real property tax rate (i.e., the tax rate for all applicable taxing entities) for that Revenue Year.

In the event that only a portion of the Project becomes exempt from real property taxes, then the PILOT payable in subsequent Revenue Years shall in each year be reduced by an amount equal to the taxes paid in that Revenue Year on the portion of the Project that remains taxable.

(ii) As further consideration for the City Assistance being provided to the Project, Developer agrees that, should the Project be exempt from real property taxes at any time after Tax Year 2045 but prior to Tax Year 2065, then Developer shall make a PILOT to the City in an amount equal to the most recent assessed value for Project as taxable property multiplied by the total local real property tax rate (i.e., the tax rate for all applicable taxing entities) for that Revenue Year.

In the event that only a portion of the Project becomes exempt from real property taxes, then the PILOT payable in subsequent Revenue Years shall in each year

be reduced by an amount equal to the taxes paid in that Revenue Year on the portion of the Project that remains taxable.

4. REPRESENTATIONS AND WARRANTIES

A. Representations and Warranties of the City. The City makes the following representations and warranties:

(i) The City has the requisite power and authority and legal right to enter into this Agreement and to perform the transactions contemplated hereby.

(ii) The individuals executing this Agreement on behalf of the City are duly empowered and authorized to execute this Agreement on behalf of the City and to deliver the same. Once this Agreement has been duly executed and delivered by all parties hereto and becomes effective as set forth in accordance with this Agreement, it will constitute a binding obligation on behalf of the City subject to the terms and provisions hereof.

(iii) The execution and delivery of this Agreement and the consummation of the transactions contemplated herein or the performance of the City’s obligations hereunder, will not result in a breach of any terms, provisions or conditions of any agreement, written or otherwise, affecting the City or by which it is bound.

B. Representations and Warranties of Developer. Developer makes the following representations and warranties:

(i) The Developer has the full power and authority to enter into this Agreement and to perform its obligations hereunder.

(ii) The individuals executing this Agreement on behalf of the Developer are duly empowered and authorized to execute this Agreement on behalf of the Developer and to deliver the same. Once this Agreement has been duly executed and delivered by all parties hereto and becomes effective as set forth in accordance with this Agreement, it will constitute a binding obligation on behalf of the Developer subject to the terms and provisions hereof.

(iii) The Developer is a Wisconsin limited liability company, duly organized under the laws of that state, and has filed its most recent annual report and has not filed articles of dissolution. The execution of this Agreement as well as the performance of its obligations contained herein are not in violation of its organizational documentation. The individual executing this Agreement on behalf of the Developer is duly authorized to do so. This Agreement constitutes a binding obligation on behalf of the Developer subject to the terms and provisions hereof.

(iv) The execution and delivery of this Agreement and the consummation of the transactions contemplated herein or the performance of Developer’s obligations

hereunder, will not result in a breach of any terms, provisions or conditions of any agreement, written or otherwise, affecting Developer or by which it is bound.

5. DEFAULT; REMEDIES; FORCE MAJEURE

A. Notice of Default and Right to Cure. In the event of any default in or any breach of this Agreement or any of its terms or conditions by any party hereto, the non-defaulting party shall give written notice of the default to the defaulting party. The defaulting party may then cure such default or breach within fifteen (15) business days in the event of a monetary default or within thirty (30) calendar days in the event of a non-monetary default after receipt of such notice. In the event the particular non-monetary breach or default cannot reasonably be cured within said thirty (30) calendar day period, the defaulting party shall not be in default hereunder if it timely commences to cure such default within said period of time and diligently pursues the cure and cures the same within a reasonable time thereafter. If the default or breach is not timely cured under this subsection, the non-defaulting party may exercise any right or remedy provided for herein.

C. Remedies. Subject to the notice of default and opportunity to cure provisions above, the parties may exercise any rights or remedies provided for by law or equity in the event of any default in or breach of this Agreement by the other party, including but not limited to termination of this Agreement, an action for specific performance and an action for the recovery of damages. All rights and remedies may be exercised independently or concurrently. The election of one remedy does not preclude the pursuit of other remedies, unless otherwise provided for by law.

D. Waiver. Any delay by a party in instituting or prosecuting any action or proceeding or otherwise asserting its rights under this Agreement shall not operate as a waiver of such rights or to deprive it of or to limit such rights in any way. The parties intend by this provision that no party should be constrained in its efforts to resolve any issues that may arise, and hereby intend to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this Agreement because of concepts of waiver, laches or otherwise, or to be compelled to exercise such remedy at a time when it may still hope otherwise to resolve the issue created by the default involved. No waiver in fact made by either party with respect to any specific default by the other party under this Agreement shall be considered or treated as the waiver of the rights of the non-defaulting party with respect to any other defaults by such defaulting party under this Agreement, or with respect to the particular default except to the extent specifically waived in writing.

E. Rights Cumulative. The rights and remedies of each party, whether provided by law, equity or this Agreement, shall be cumulative, and the exercise of any one or more of such remedies shall not preclude the exercise at the same or different times of any other such remedies for the same event of default or breach or of any remedies for any other event of default or breach by either party.

8. ASSIGNMENT BY DEVELOPER

During the Term of this Agreement, Developer shall not have the right to assign this Agreement or directly or indirectly sell, assign, transfer or convey the Development Site (or any portion thereof) to any other party without the prior written consent of the City; provided, however, that Developer shall have the right, without the City's consent but with notice to the City, to transfer this Agreement and/or the Development Site to an entity controlled by or under common control with Developer and shall have the right to mortgage or otherwise encumber the Development Site to finance the construction of the Project, as provided herein. In addition, Developer shall have the right to further subdivide the Development Site to separate the west parking area shown on **Exhibit A** (the "**West Parking Area**") and to convey such West Parking Area to Scott Crawford Financial, Inc., Que El-Amin or an entity controlled by or under common control with them; provided that Developer shall ensure that such new owner of the West Parking Area shall provide Developer with a parking easement agreement permitting Developer's Project tenants to use the West Parking Area for vehicular parking. No assignment of this Agreement shall serve to release Developer from any liability or obligations under this Agreement.

9. PUBLIC RECORDS RESPONSIBILITIES

To ensure that applicable laws are followed, both with regard to private rights, and with regard to public records laws, Developer agrees as follows: If the City receives public records requests for records that the City believes might be in the possession of Developer, the City will notify Developer of the request. Within three (3) days of such notification (subject to extension of time upon mutual written agreement), Developer shall either provide the City with the record that is requested, for release to the requestor; or Developer shall advise the City that it objects to the release of the requested information because it considers such information confidential or proprietary, and provide the basis for the objection. Regardless of any objection by Developer, however, if for any reason the City reasonably and in good faith concludes that the City is obligated to provide a record to a requestor that is in Developer's possession, Developer shall provide such records to the City promptly upon the City's request. Developer shall not charge for work performed under this section, except for the "actual, necessary and direct" charge of responding to the records request, as that is defined and interpreted in Wisconsin law.

10. MISCELLANEOUS

A. Recording. Recording of this Agreement is prohibited except for the Memorandum.

B. Approvals. Whenever under this Agreement approvals, authorizations, determinations, satisfactions or waivers are authorized or required, such approvals, authorizations, determinations, satisfactions or waivers shall be effective and valid only when given in writing, signed by the party's duly authorized representative. Except as otherwise set forth herein, wherever any approval is required by the terms of this Agreement and request or

application for such approval is duly made, such approval shall not be unreasonably withheld. All submissions given to the City to satisfy the conditions contained in this Agreement must be satisfactory in form and content to the City, in its reasonable discretion.

C. Waiver; Amendment. No waiver, amendment, or variation in the terms of this Agreement shall be valid unless in writing and signed by the City and Developer, and then only to the extent specifically set forth in writing.

D. Entire Agreement. This Agreement and the documents executed pursuant to this Agreement contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement and the documents executed in connection with this Agreement. This Agreement and the documents executed in connection herewith supersede all prior negotiations, agreements and undertakings between the parties with respect to the subject matter hereof.

E. No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of Developer and the City, and no third party (other than successors and permitted assigns) shall have any rights or interest in any provision of this Agreement. Without limiting the foregoing, no approvals given pursuant to this Agreement by Developer or the City, or any person acting on behalf of any of them, shall be available for use by any contractor or other person in any dispute relating to the Project.

F. Severability. If any provision of this Agreement is held invalid, it shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement, which shall continue in full force and effect.

G. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, as well as their respective successors, transferees and permitted assigns. The obligations of the City and the Developer, including, without limitation, Developer's obligation to provide City with Guaranteed Revenue addressed herein, shall survive any sale transfer, assignment or conveyance of the Development Site (or a portion thereof), and shall survive mortgage foreclosure, and bind any subsequent owners in title to the Development Site.

H. Municipal Approvals; Compliance with Law. The provisions of this Agreement shall not vest any rights on the Developer to any municipal approvals required under applicable law. Nothing contained in this Agreement is intended to or has the effect of releasing Developer from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement.

I. City's Right of Immunity. Nothing contained in this Agreement constitutes a waiver of the City's ability to assert its rights of immunity to tort claims under applicable law. Under no circumstances shall any alderperson, council member, officer, official, director,

attorney, employee or agent of the City have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

J. Governing Law. This Agreement is governed by, and must be interpreted under, the internal laws of the State of Wisconsin. Any suit arising or relating to this Agreement must be brought in Manitowoc County, Wisconsin.

K. Time is of the Essence; Deadlines. Time is of the essence with respect to this performance of every provision of this Agreement in which time of performance is a factor. In the event a deadline herein falls on a non-business day, the deadline shall be deemed to fall on the next following business day.

L. Relationship of Parties. This Agreement does not create the relationship of principal and agent, or of partnership, joint venture, or of any association or relationship between the City and Developer.

M. Captions and Interpretation. The captions of the articles and sections of this Agreement are to assist the parties in reading this Agreement and are not a part of the terms of this Agreement. Whenever required by the context of this Agreement, the singular includes the plural and the plural includes the singular.

N. Joint and Several Obligations. If Developer consists of more than one person/entity, each such person/entity shall be jointly and severally liable for the payment and performance of all obligations of Developer under this Agreement and the City may bring suit against each such person/entity, jointly or severally, or against any one or more of them.

O. Counterparts/Electronic Signature. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which counterparts collectively shall constitute one instrument representing the agreement among the parties. Facsimile signatures and PDF email signatures shall constitute originals for all purposes.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date first written above.

DEVELOPER:

WEST RIVER LOFTS LLC

By: West River Lofts MM LLC, its Managing Member

By: MQ Ventures Two LLC, its Managing Member

By: _____
Name: Melissa N. Allen
Title: Manager

CITY:

THE CITY OF TWO RIVERS, WISCONSIN

By: _____
Name: Gregory E. Buckley
Title: City Manager

By: _____
Name: Amanda Baryenbruch
Title: City Clerk

JOINDER

CUPED Corporation executes this joinder for the sole purposes of being bound to fulfill its obligations set forth in Section 2.B of this Agreement.

CUPED CORPORATION

By: _____
Melissa N. Allen, Chair of the Board of Directors

[Joinder]

EXHIBIT A

DRAFT

CERTIFIED SURVEY MAP NO. _____

FOR
BRIGHT HORIZON PROPERTIES, LLC
 CSM RECORDED AS DOCUMENT NO. 1245957, BEING PART OF
 LOTS 1-6, BLOCK 83, LOTS 1-5, EXCEPT THE WEST 15 FEET
 OF LOT 5, BLOCK 84, LOTS 1-4 & 8-12, BLOCK 87,
 & LOTS 1-4, BLOCK 88, ORIGINAL PLAT
 CITY OF TWO RIVERS, MANITOWOC COUNTY, WISCONSIN

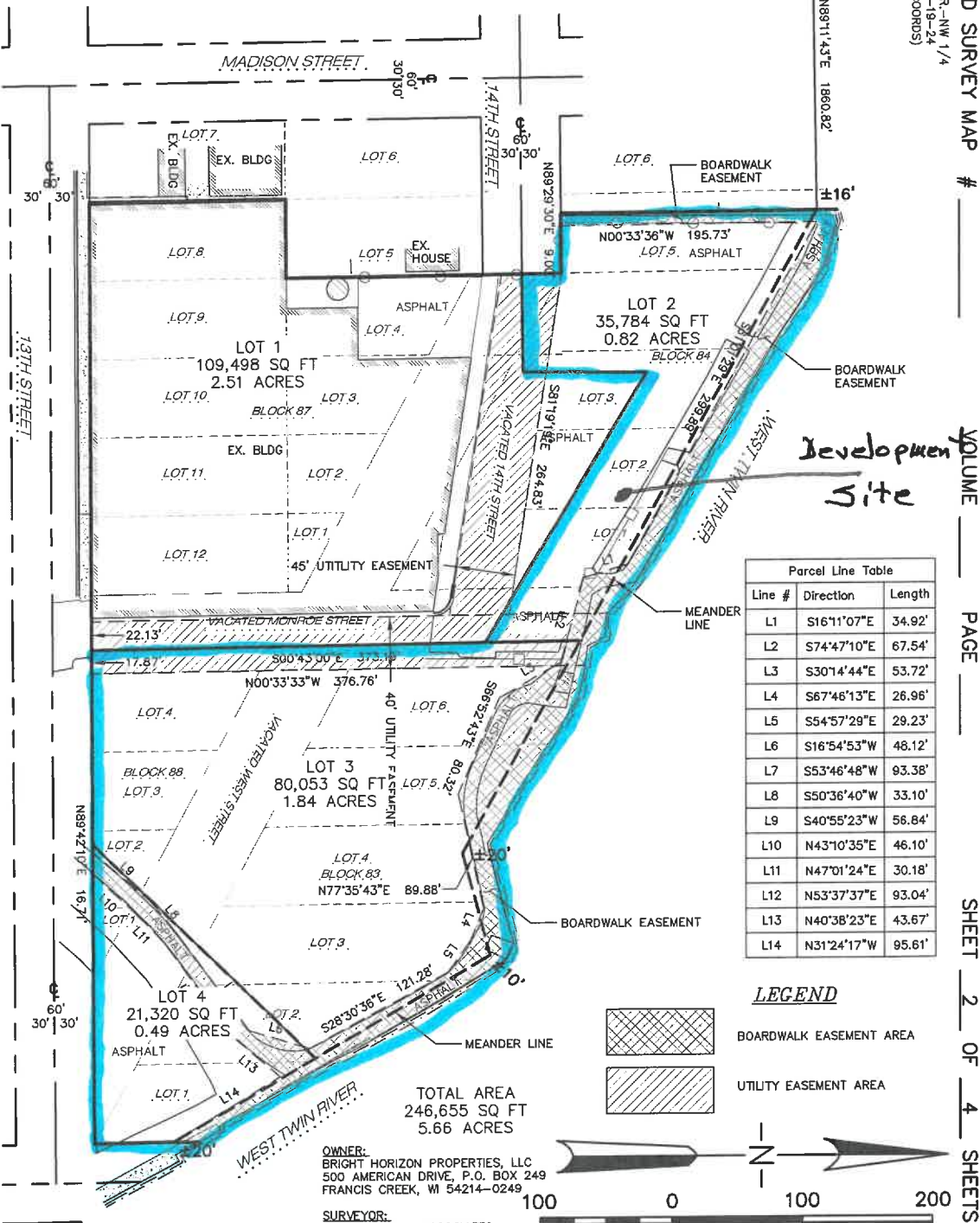
PROJECT NUMBER: 9.5296
 DATE: OCTOBER 4, 2023

SW COR.-NW 1/4
 SEC. 1-19-24
 (PK NAIL FOUND)

W. LINE-NW 1/4-SEC. 1-19-24
 N00°48'17"W 2737.73'
 209.62'

NW COR.-NW 1/4
 SEC. 1-19-24
 (PER COORDS)

CERTIFIED SURVEY MAP # _____

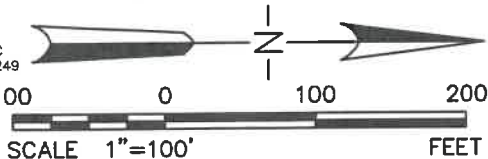


Development Site

Line #	Direction	Length
L1	S16°11'07"E	34.92'
L2	S74°47'10"E	67.54'
L3	S30°14'44"E	53.72'
L4	S67°46'13"E	26.96'
L5	S64°57'29"E	29.23'
L6	S16°54'53"W	48.12'
L7	S53°46'48"W	93.38'
L8	S50°36'40"W	33.10'
L9	S40°55'23"W	58.84'
L10	N43°10'35"E	46.10'
L11	N47°01'24"E	30.18'
L12	N53°37'37"E	93.04'
L13	N40°38'23"E	43.67'
L14	N31°24'17"W	95.61'

LEGEND

-  BOARDWALK EASEMENT AREA
-  UTILITY EASEMENT AREA



OWNER:
 BRIGHT HORIZON PROPERTIES, LLC
 500 AMERICAN DRIVE, P.O. BOX 249
 FRANCIS CREEK, WI 54214-0249

SURVEYOR:
 J.E. ARTHUR & ASSOCIATES
 548 PRAIRIE ROAD
 FOND DU LAC, WI 54935

TOTAL AREA
 246,655 SQ FT
 5.66 ACRES

VOLUME _____ PAGE _____ SHEET 2 OF 4 SHEETS

EXHIBIT B

MEMORANDUM OF DEVELOPMENT AGREEMENT

Document Number

Document Name

THIS MEMORANDUM OF DEVELOPMENT AGREEMENT (this "Memorandum") is made and entered into as of the ____ day of _____, 2023, by and between the CITY OF TWO RIVERS, WISCONSIN, a Wisconsin municipal corporation (the "City"), on the one hand, and WEST RIVER LOFTS LLC, a Wisconsin limited liability company ("Developer"), on the other hand (the City and Developer are referred to herein, collectively, as the "Parties").

WHEREAS, the Parties entered into a certain Tax Incremental Financing Grant and Developer's Performance Agreement, dated as of [____], 2023 (as may be amended from time to time, the "Development Agreement"); and

WHEREAS, the Development Agreement relates to certain real estate [a portion of which is] described on Exhibit A attached hereto (the "Property"); and

WHEREAS, the Parties desire to place this Memorandum of record in the real estate records for Manitowoc County, Wisconsin to provide notice to third parties of the Development Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Notice is hereby given that the Parties have entered into the Development Agreement affecting the Property. Until termination of the Development Agreement, the Development Agreement runs with the Property and is binding upon, benefits and burdens the Property, Developer and any subsequent owner and/or mortgagee of all or any portion of the Property and each of their successors assigns.
2. The Development Agreement imposes certain obligations, liabilities and restrictions on the owners and/or mortgagees of all or any portion of the Property.
3. The term of the Development Agreement commenced as of [____], 2023, and terminates as provided therein.
4. The terms, conditions and other provisions of the Development Agreement are set forth in the Development Agreement, express reference to which is made for greater particularity as to

Recording Area

Name and Return Address

City of Two Rivers
1717 East Park Street
Two Rivers, WI 54241
Attn: City Clerk

See Exhibit A attached
Parcel Identification Number (PIN)

This is not homestead property.

the terms, conditions and provisions thereof. A copy of the Development Agreement is available upon request from the City at the offices of the City Clerk.

5. This Memorandum is not a complete summary of the Development Agreement. Provisions in this Memorandum shall not be used to interpret the provisions of the Development Agreement. In the event of conflict between this Memorandum and the unrecorded Development Agreement, the unrecorded Development Agreement shall control.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date first set forth above.

DEVELOPER:

WEST RIVER LOFTS LLC

By: _____

Name: _____

Title: _____

STATE OF WISCONSIN)
) ss.
COUNTY OF _____)

Personally came before me this ____ day of _____, 2023, _____, known to be the person who executed the foregoing instrument and to me known to be the _____ of WEST RIVER LOFTS LLC, a Wisconsin limited liability company, and acknowledged that s/he executed the foregoing instrument as such authorized representative of said entity and with its authority.

Notary Public, State of Wisconsin
My commission: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LOTS 1-6, BLOCK 83, LOTS 1-5, EXCEPT THE WEST 15 FEET OF LOT 5, BLOCK 84
LOTS 1-4 & 8-12, BLOCK 87, LOTS 1-4, BLOCK 88, VACATED MONROE STREET,
VACATED WEST STREET, & VACATED 14TH STREET, ALL IN ORIGINAL PLAT
CITY OF TWO RIVERS, MANITOWOC COUNTY, WISCONSIN

EXHIBIT C

West River Loft Budget Estimates

West River Lofts STATEMENT OF FORECASTED SOURCES AND USES			
SOURCES OF FUNDS	Construction	Post Construction	Permanent
First Mortgage - WHEDA	\$ 3,341,637	0	3,341,637
First Mortgage - IFF	-	-	-
City of Two Rivers TIF (IFF)	880,000	-	880,000
Alternative Housing Funds - Two Rivers	100,000	-	100,000
HOME Funds	788,750	-	788,750
WHEDA ARPA Funds	2,000,000	-	2,000,000
GAP	0	0	0
WHEDA INTF FUNDS	1,026,800	-	1,026,800
GP Equity	100	-	100
Chicago AHP Funds	-	600,000	600,000
LRTC Equity	1,000,000	\$ 170,000	7,200,000
Deferred Dev Fee	-	662,074	662,074
Construction Loan - WHEDA	3,022,600	(3,022,600)	-
Construction Loan - IFF	3,022,600	(3,022,600)	-
Total Sources Of Funds	\$ 15,238,570	\$ 1,482,022	\$ 16,721,501
	0	0	0
USES OF FUNDS	Total Construction	Post Construction	Total Permanent
Acquisition & Site Costs			
Land Acquisition	177,000	-	177,000
Escrow/Reserves	30,000	-	30,000
Environmental Remediation	360,000	-	360,000
Sitework	228,935	-	228,935
Construction & Commercial Costs			
Residential Construction NC	9,965,260	-	9,965,260
General Requirements	535,710	-	535,710
Contractor Overhead	214,284	-	214,284
Contractor Profit	535,710	-	535,710
Construction Contingency	581,996	-	581,996
GC Transition Prio Cost	120,000	-	120,000
FFSE	5,000	-	5,000
Business Risk Insurance	106,168	-	106,168
Building Permits + Cost Cert	30,000	-	30,000
Performance Bond (1.5% of Const. Contract)	149,438	-	149,438
Engineering & Architectural			
Architecture - Design	216,000	-	216,000
Architect Supervision & Reimbursable Expenses	105,000	-	105,000
Engineering (Structural & Civil)	91,000	-	91,000
Survey	4,000	-	4,000
Geotech/Soils	2,500	-	2,500
Construction Interest & Fees			
Insurance Review Expense	3,000	-	3,000
Construction Interest	911,210	-	911,210
Prio Dev Interest + Fees	32,384	-	32,384
Construction Title and Recording	20,000	-	20,000
Loan Origination (WHEDA + IFF) - 1%	60,462	-	60,462
Lump Sum for IFF Fees ESTIMATE	30,000	-	30,000
Perm Financing			
Perm Origination Fee - 1.5% (WHEDA) and 1% (IFF)	60,126	-	60,126
Perm Lender Legal (WHEDA)	20,000	-	20,000
Soft Costs			
Market Study	8,000	-	8,000
Appraisal	10,000	-	10,000
WHEDA Closing Extension Fee	8,000	-	8,000
Tax Credit Fees	88,486	-	88,486
Marketing	5,000	-	5,000
Phase 1 ESA & Phase 2 ESA	32,000	-	32,000
Property Insurance	30,000	-	30,000
Title & Recording Fees	30,000	-	30,000
Cost Certification	-	20,000	20,000
AHP Application Fee (BT)	27,500	-	27,500
HOME App Fee (BT)	20,000	-	20,000
AHP Origination Fee (2.5%)	17,250	-	17,250
Coped Corp Funds-Origination (2.5%)	40,919	-	40,919
Accounting (BT)	15,000	-	15,000
Zoning and Municipal Fees	5,000	-	5,000
GP Legal Fees	62,000	-	62,000
Robot & Retention Fee (WHEDA)	42,282	-	42,282
 syndication Costs			
Organization/Legal/Syndication	65,000	-	65,000
Developer Fees / Reserves			
Developer Fee	72,881	1,516,018	1,083,800
Consultant Fee	45,000	-	45,000
Operating and DS Reserve - 3 months	-	187,491	187,491
Start Up Reserve - HOME Fund Requirement	-	222,412	222,412
Replacement Reserve	-	27,000	27,000
Total Uses Of Funds	\$ 15,238,570	\$ 1,482,022	\$ 16,721,501

EXHIBIT D



REVISIONS:

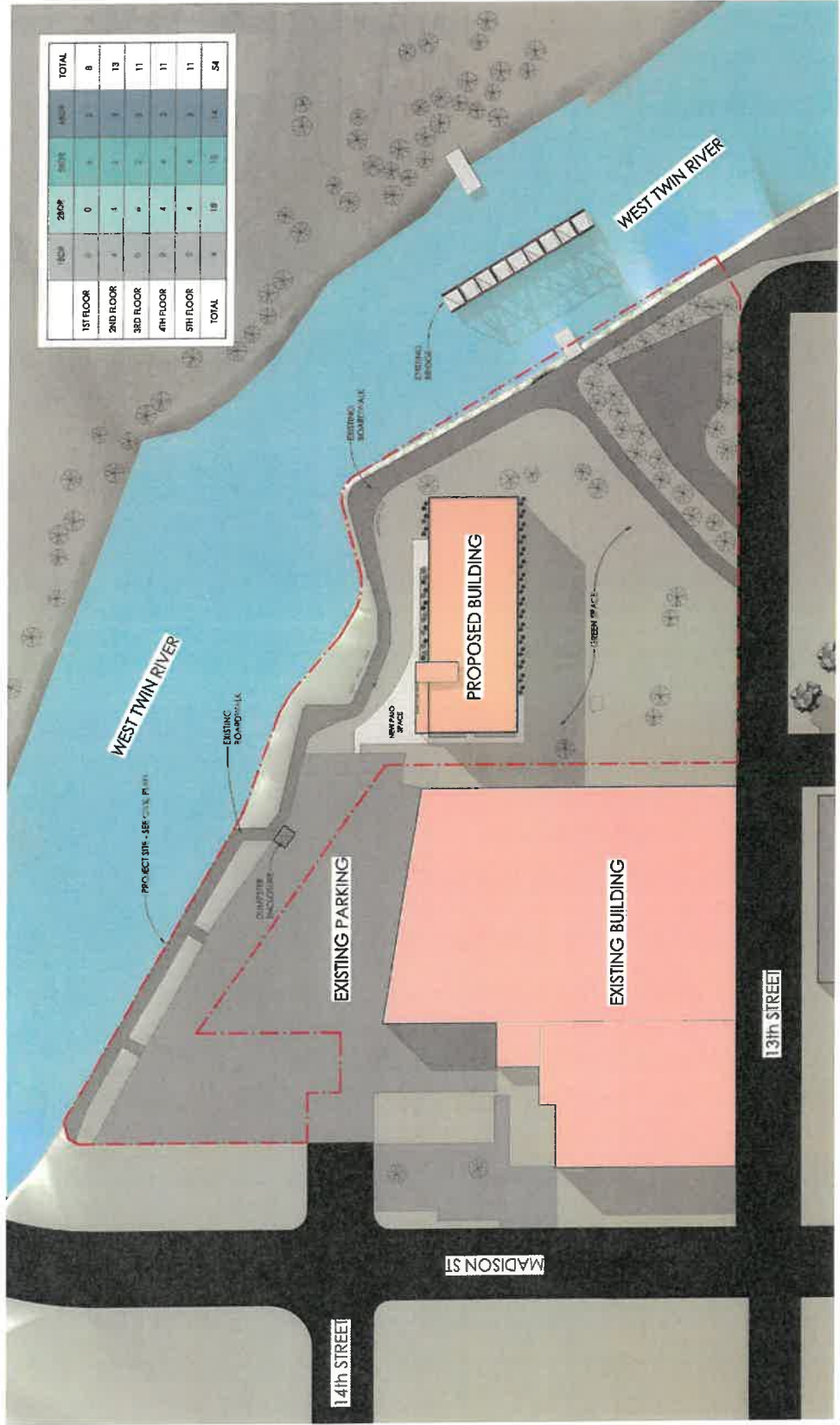
THIS PLAN IS UNLESS OTHERWISE NOTED TO BE THE PROPERTY OF THE ARCHITECT AND NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.

ISSUE DATE: 10/22/2021
 PROPOSED NEW CONSTRUCTION
TWO RIVERS APARTMENTS
 1702 13TH ST. TWO RIVERS, WI 54241
 1135A MICHIGAN AVE. SHEBOYGAN WI 53081 | 225 EAST ST. WAUKESHA WI 54241
 1702 13TH ST. TWO RIVERS, WI 54241
 PLAN COMMISSION SUBMITTAL

DRAWN BY: Author
 CHECKED BY: Checker

A2

PROJ. NO. 2019-35



FLOOR	150P	200P	300P	400P	TOTAL
1ST FLOOR	0	0	1	1	2
2ND FLOOR	1	1	1	1	4
3RD FLOOR	0	0	2	2	4
4TH FLOOR	1	1	1	1	4
5TH FLOOR	0	1	1	1	3
TOTAL	2	2	6	6	16



ARCHITECTURAL SITE PLAN
 NOT TO SCALE

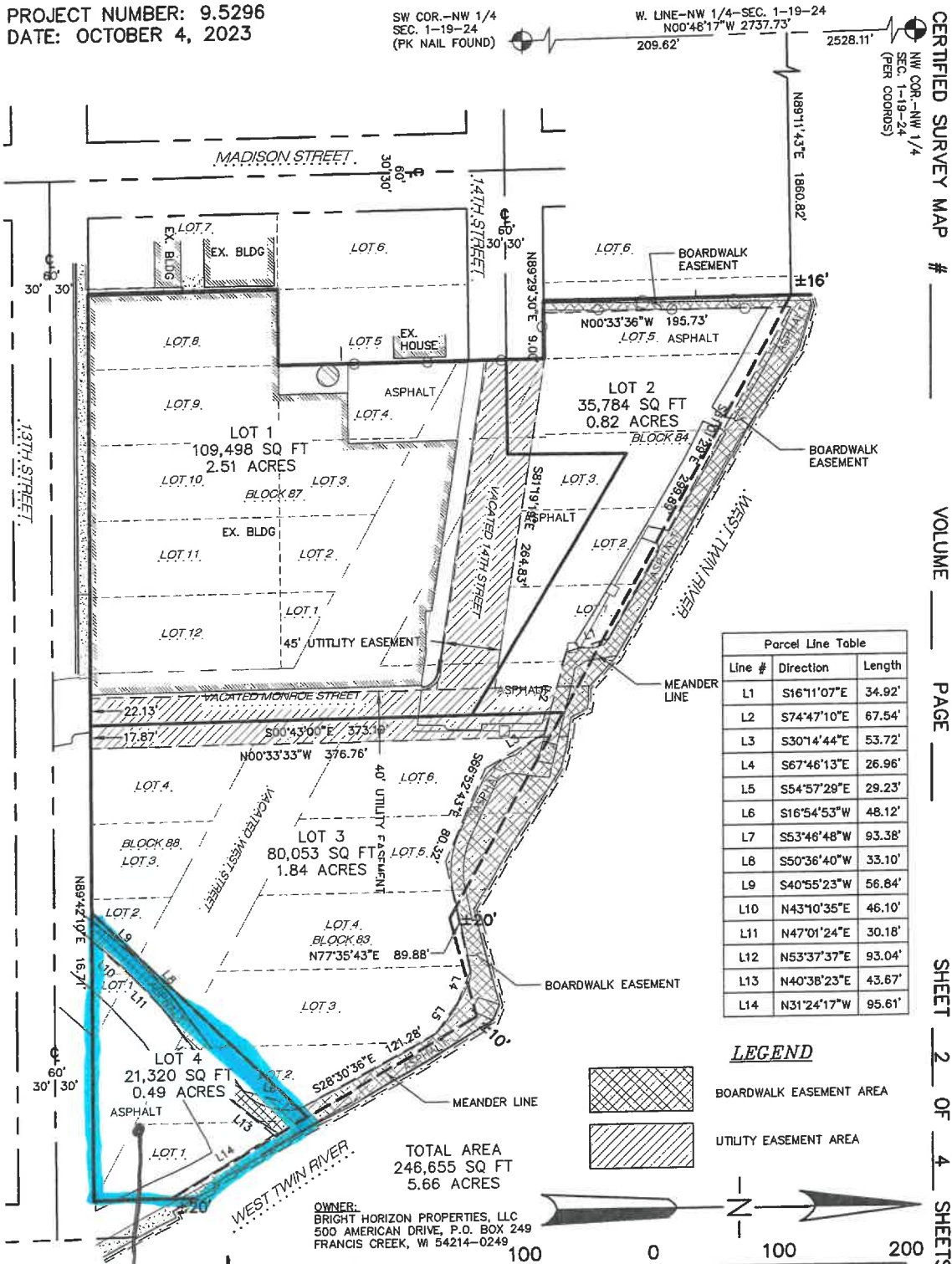
EXHIBIT E

Trail Easements

EXHIBIT F

CERTIFIED SURVEY MAP NO. _____
 FOR
BRIGHT HORIZON PROPERTIES, LLC
 CSM RECORDED AS DOCUMENT NO. 1245957, BEING PART OF
 LOTS 1-6, BLOCK 83, LOTS 1-5, EXCEPT THE WEST 15 FEET
 OF LOT 5, BLOCK 84, LOTS 1-4 & 8-12, BLOCK 87,
 & LOTS 1-4, BLOCK 88, ORIGINAL PLAT
 CITY OF TWO RIVERS, MANITOWOC COUNTY, WISCONSIN
 PROJECT NUMBER: 9.5296
 DATE: OCTOBER 4, 2023

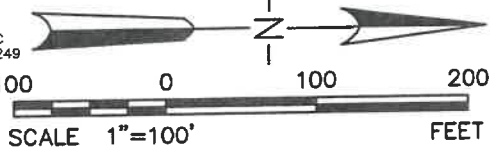
DRAFT



Triangle Area

OWNER:
 BRIGHT HORIZON PROPERTIES, LLC
 500 AMERICAN DRIVE, P.O. BOX 249
 FRANCIS CREEK, WI 54214-0249

SURVEYOR:
 J.E. ARTHUR & ASSOCIATES
 548 PRAIRIE ROAD
 FOND DU LAC, WI 54935



CERTIFIED SURVEY MAP # _____ VOLUME _____ PAGE _____ SHEET 2 OF 4 SHEETS

G&K REVISIONS 11-2-2023

EXHIBIT E: TRAIL EASEMENT

Document Number	Document Title
-----------------	----------------

**PUBLIC ACCESS, MAINTENANCE AND
TEMPORARY CONSTRUCTION
EASEMENT**

THIS PUBLIC ACCESS, MAINTENANCE AND TEMPORARY CONSTRUCTION EASEMENT (hereinafter referred to as "Easement") made as of _____, 2023 (the "Effective Date") by and between West River Lofts LLC (hereinafter referred to as "Grantor") and the City of Two Rivers (hereinafter referred to as the "Grantee").

RECITALS

WHEREAS, Grantor is the owner of certain real property located in City of Two Rivers, Manitowoc County, Wisconsin as more particularly described on Exhibit A attached hereto and made a part hereof by this reference (the "Premises"); and

WHEREAS, Grantor is developing and operating a multi-family residential housing development on the Premises (hereinafter referred to as the "Project") with frontage along the West Twin River; and

WHEREAS, the Grantee has had an unrecorded easement agreement with the previous owner of the Premises, Eggers Industries, in which Eggers Industries granted to the Grantee an easement over and across a "twelve foot strip of land running along the edge of the West Twin River over the entire length of the property," a copy of said easement is attached hereto as Exhibit B; and

WHEREAS, the Grantee wishes to retain public access along the west bank of the West Twin River via a pedestrian trail (the "Trail") situated on a portion of the Premises as shown on Exhibit C attached hereto (the "Permanent Trail Easement Area"), and to make certain improvements to the seawall along the west bank of the West Twin River immediately adjacent to the Premises (the "Seawall"); and

WHEREAS, Grantee will require access to a portion of the Premises for the purposes of constructing the Trail and making the Seawall improvements, as more particularly depicted on Exhibit C attached hereto (the "Temporary Construction Easement Area," and together with the Permanent Trail Easement Area, the "Easement Area"); and

Recording Area
 Return: City of Two Rivers
 City Manager's Office
 1717 E. Park Street, P.O. Box 87
 Two Rivers, WI 54241
 Parcel Identification Number (PIN):

WHEREAS, Grantor desires to grant an access and maintenance easement to Grantee upon, across and along the Easement Area so that Grantee may construct, access and maintain the Trail and Seawall, as hereinafter provided.

NOW THEREFORE, in consideration of the mutual promises and agreements set forth herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, Grantor and Grantee hereby covenant and agree as follows:

1. **Recitals.** The Grantor and the Grantee confirm and agree that the recitals set forth above are true and correct and incorporate the same herein for all purposes.
2. **Term.** The rights, easement and obligations established in this Easement shall be binding upon Grantor, Grantee, their respective successors and assigns, and the Grantor Property.
3. **Grant of Easements.**
 - a. **Temporary Construction Easement.** Grantor hereby grants and conveys to Grantee a temporary construction easement over, upon, across, on and through the Temporary Construction Easement Area only as required for the purpose of constructing the Trail and making the Seawall improvements (together, the "Trail and Seawall Work"). The terms for the completion of such work are more particularly set forth in Section 4 below. Grantee shall have the right to enter the Temporary Construction Easement Area as is reasonably necessary in the course of performing the Trail and Seawall Work (and all activities reasonably related thereto). This temporary construction easement shall commence as of the Effective Date and terminate upon the completion of (i) the Trail and Seawall Work and (ii) Grantee's restoration of the Easement Area as further described hereafter, but in no event later than December 31, 2024.
 - b. **Trail Easement.** Grantor hereby grants, creates, establishes, and conveys to and for the benefit of Grantee and Grantee's employees, agents, contractors, and invitees (collectively, the "Users") a non-exclusive pedestrian access easement over, upon and across the Trail as depicted in Exhibit C. The Trail shall not be a public sidewalk according to state or local law, but will be used and maintained by Grantee as a recreation trail for pedestrians.

Grantee shall have the right to regulate the hours when public use of such Trail is allowed, and to close the Trail to public use during the winter season or at any time when Grantee, in its sole discretion, deems conditions to be unsafe for public use. In addition, Grantee shall have the right to allow, prohibit, and/or regulate fishing from the Permanent Trail Easement Area, in its sole discretion. Within the Permanent Trail Easement Area, Grantee shall have the right to:

- (i.) construct, maintain and repair the Trail and to surface it with asphalt, concrete, gravel, stone or other materials of Grantee's choosing;
- (ii.) remove existing pavement and sub-base materials as Grantee deems appropriate for construction and maintenance of such Trail;
- (iii.) install, maintain and repair site furnishings, which may include by way of example but not limitation, benches and waste receptacles;
- (iv.) install, maintain, repair and operate lighting along the Trail; and

(v.) install, maintain and repair public signage, including trail identification signage, directional signage, informational signage and regulatory signage, and signage to minimize Users’ interference with the Premises.

4. Obligations of the Grantee. Grantee shall be responsible for completing the Trail and Seawall Work, at Grantee’s sole cost and expense; provided, however, with respect to any Trail and Seawall Work improvements that are funded by Tax Incremental District 17 (“TID 17”) funds, Grantee shall have the right to use City of Two Rivers personnel and equipment or contractors selected by the City in its sole discretion, based on publicly let contracts. The Trail and Seawall Work shall include the following:

- a. **Trail and Seawall.** Grantee shall resurface the portion of the Trail lying in the Permanent Trail Easement Area located on the Premises, in the location more particularly shown on Exhibit C. In addition, Grantee shall evaluate the condition of the Seawall and complete the Seawall repairs to the portion of the Seawall located immediately adjacent to the Premises as Grantee deems appropriate in its reasonable discretion. Grantee’s Trail and Seawall work described in this Section 4(a) shall be completed by December 31, 2024. Grantee shall include in its 2024 budget for TID 17 the sum of \$400,000.00 for such work.
- b. **Fencing.** Within five (5) business days after the Effective Date, but in any event prior to commencing the Trail and Seawall Work, Grantee, at Grantee’s sole cost and expense, shall install and maintain fencing at least four (4) feet in height around the outer perimeter of the Easement Area (except for that portion bordering the West Twin River), whenever Grantee engages in any activity that involves use of construction equipment within the Easement Area, for activities addressed in this Easement. Such fencing shall be removed from around the Phase 1 Section not later than December 31, 2024.
- c. **Trail Maintenance.** Following completion of the Trail improvements described above, Grantee shall be responsible for the following maintenance activities on the Trail:
 - (i.) **Sweeping.** The Trail shall be swept periodically to remove any dirt or other debris.
 - (ii.) **Trash pickup.** Any trash receptacles placed by the Grantee along the Trail shall be regularly emptied and maintained in good condition.
 - (iii.) **Lighting.** Any lighting installed by Grantee shall be maintained in good and operable condition; Grantee shall be responsible for paying the utility bills associated with such lighting.
 - (iv.) **Fencing and Site Furnishings.** Any fencing and site furnishing installed within the Easement Area by Grantee shall be maintained in a safe condition and good repair.
- d. **Progress Reports.** During its performance of the Trail and Seawall Work, Grantee shall provide Grantor with a monthly written report on the status of such work, which report may be delivered to Grantor via e-mail.

5. Maintenance. Grantee, at Grantee’s sole cost and expense, shall at all times maintain the Easement Area in good condition and repair, including, but not limited to, cleaning, snow plowing, resurfacing, replacing and maintaining proper drainage from the Easement Area, all in accordance with applicable laws, ordinances and regulations of any governmental authority having jurisdiction over the Easement Area. Grantee shall restore the surface of any portion of the Premises, including without limitation the Easement Area, disturbed by any construction, reconstruction, maintenance, access,

operation, repair, replacement or removal activities by Grantee and the general public to the condition such surface was in before such disturbance. After Grantee's completion of the Trail and Seawall Work, Grantee shall not be required to maintain, repair or replace any sheet piling or other shoreline structures or treatments (such as stone rip-rap) along the river's edge. Grantee may choose to undertake maintenance, repairs or replacement of such shoreline structures and treatments, in its sole discretion and with the written approval of Grantor.

6. **Pedestrian Access.** Public access within the Permanent Trail Easement Area shall be limited to foot, bicycle or wheelchair travel only. This Easement does not grant any Users the right to operate motor vehicles in any manner or method on the Premises or Easement Area.

7. **Continued Use.** Grantor reserves the right to use the Easement Areas for purposes which will not interfere with the Grantee's full enjoyment of the Easement hereby granted, including, but not limited to the development and operation of the multi-family residential housing development on the Property.

8. **Location Notification.** Grantee may publish the location of the Trail electronically or by depicting the location of the Trail on a map for the purpose of directing Users to the location of the Easement Area; provided however, such publication shall include language that the Premises is private property, and except for the Easement Area, should not be used by Users.

9. **Entire Agreement.** This Easement sets forth the entire understanding of the Grantor and Grantee and may not be modified or amended except by a written document executed and acknowledged by Grantor and Grantee, and the successors and assigns in ownership to the Premises, respectively and duly recorded in the office of the Register of Deeds of Manitowoc County, Wisconsin.

10. **Severability.** If any term or condition of this Easement shall be deemed invalid or unenforceable, the remainder of this Easement, or the application of the term or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and condition shall be valid and enforceable to the fullest extent permitted by law.

11. **Attorneys' Fees.** It is intended that this Easement shall be construed as being an adequate and legally enforceable agreement. Enforcement of this Easement may be by proceedings at law or in equity against any person or persons violating or attempting or threatening to violate any term or condition in this Easement, either to restrain or prevent the violation or to obtain any other relief. If a suit is brought to enforce this Easement, the prevailing party shall be entitled to recover its costs, including reasonable attorney fees, from the non-prevailing party.

12. **Termination.** Grantee shall have the ability, without cause and for any reason, to terminate this Easement upon sixty (60) days advance written notice to Grantor, at any time following the seventeenth (17th) anniversary of the Effective Date. Grantee shall have no further obligations or responsibilities relative to the Easement Area following such termination.

13. **Governing Law.** This Easement shall be construed and enforced in accordance with the laws of the

State of Wisconsin.

14. **Covenants Running with the Land.** All of the terms and conditions in this Easement, including the benefits and burdens, are covenants running with the land and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. **Indemnification.** To the extent allowed by law and without waiving its rights to rely on municipal limitations and immunities available to it under the provisions of the Wis. Stat. § 893.80, 893.52 and other such statutes, the Grantee agrees to fully indemnify and hold harmless the Grantor from any and all losses, liabilities, damages, or costs, which may be incurred by Grantor as a result of the acts or omissions of the Grantee, its agents, employees and contractors in the exercise of Grantee’s rights and obligations under this Easement or arising from the use by Users of the Easement Area, except those which are caused by the willful misconduct of the Grantor, its agents, employees or invitees.

16. **Notices.** All notices to any party to this Easement shall be sent either by certified mail, postage prepaid, return receipt requested, or personal delivery, or electronic delivery and addressed as follows:

Grantor: West River Lofts LLC
1402 West Center Street, Suite 2
Milwaukee, WI 53206
Attn: Melissa N. Allen

Grantee: City of Two Rivers
1717 East Park Street
Two Rivers, WI 54241
Attn: Greg Buckley

17. **Interpretation.** The terms Grantor and Grantee may be singular or plural and shall include all successors and assigns.

18. **Insurance.** Grantee shall maintain property and liability insurance coverage related to its use of and activities in the Easement Area. The liability insurance coverage shall be in an amount not less than \$1,000,000 per occurrence/\$2,000,000 annual aggregate. Grantee’s insurance policy shall name Grantor as an additional insured. Grantee without request therefor shall provide Grantor with evidence of such insurance on no less than an annual basis.

19. **No Third-Party Beneficiaries.** The terms of this Easement are for the benefit of Grantor and Grantee, and no other person shall have any rights hereunder nor shall they be entitled to enforce its terms.

20. **Self-Help.** In addition to all other remedies available at law or in equity, upon the failure of Grantee to cure a breach of this Easement within thirty (30) days following written notice thereof by Grantor, Grantor shall have the right to perform such obligations contained in this Easement on behalf of Grantee and be promptly reimbursed by Grantee upon demand for the reasonable

costs thereof together with interest at the Prime Rate charged from time to time by US Bank N.A. (its successors or assigns) as published in *The Wall Street Journal* plus three percent (3%) per annum (not to exceed the maximum rate of interest allowed by law). Notwithstanding the foregoing, in the event of an emergency, Grantor may provide for forty-eight (48) hour advance notice, or if not practicable, as soon as possible thereafter, cure the same and be reimbursed by Grantee upon demand for the reasonable cost thereof together with interest at the Prime Rate, plus three percent (3%), as above described.

[Signature Page to Follow]

IN WITNESS WHEREOF, Grantor grants this Easement and has caused this instrument to be executed on its behalf as of the day and year first set above written.

WEST RIVER LOFTS LLC

By: West River Lofts MM LLC, its
Managing Member

By: MQ Ventures Two LLC, its Manager

By: _____
Melissa N. Allen, Manager

State of Wisconsin)
) ss.
_____ County)

Personally came before me this _____ day of _____, 2023, the above named Melissa N. Allen, the Manager of MQ Ventures Two LLC, which is the Manager of West River Lofts, MM LLC, which is the Managing Member of West River Lofts LLC, to me known to be the person who executed the foregoing instrument and acknowledged the same.

*Notary Public, State of Wisconsin
My commission (expires)(is) _____

IN WITNESS WHEREOF, the Grantee has caused this instrument to be executed on its behalf as of the day and year first set above written.

THE CITY OF TWO RIVERS, WISCONSIN

By: Gregory E. Buckley
Title: City Manager

By: Amanda Baryenbruch
Title: City Clerk

State of Wisconsin)
) ss.
_____ County)

Personally came before me this _____ day of _____, 2023, the above-named Amanda Baryenbruch, the City Clerk of the City of Two Rivers, Wisconsin, to me known to be the person who executed the foregoing instrument and acknowledging the same

Notary Public, State of Wisconsin
My Commission (expires)(is) _____

Exhibit A

Legal Description

[LOT 2 OF CERTIFIED SURVEY MAP RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR MANITOWOC COUNTY, WISCONSIN ON JANUARY 04, 2022 IN VOLUME 35 OF CERTIFIED SURVEY MAPS, PAGE 307 AS DOCUMENT NO. 1245957, SAID CERTIFIED SURVEY MAP BEING A REDIVISION OF LOTS 1-6, BLOCK 83, LOTS 1-5, EXCEPT THE WEST 15 FEET OF LOT 5, BLOCK 84 AND LOTS 1-4 & 8-12, BLOCK 87, & LOTS 1-4, BLOCK 88, ORIGINAL PLAT CITY OF TWO RIVERS, MANITOWOC COUNTY, WISCONSIN.]

EXHIBIT B
Unrecorded Easement

file in Egg

EASEMENT

~~This Agreement is entered into by and between the City of Two Rivers, hereinafter referred to as the City and Eggers Industries, hereinafter referred to as Eggers.~~

~~WHEREAS, the City has received a 1984 Small Cities Community Development Block Grant from the Wisconsin Department of Development for the purpose of economic development; and~~

~~WHEREAS, Eggers desires to expand its manufacturing business; and~~

~~WHEREAS, the City and Eggers have previously entered into an agreement dated January 17, 1984 containing certain contingencies based upon Community Development Block Grant funding. A copy of said agreement is attached hereto as Exhibit A.~~

~~WHEREAS, the City is desirous of constructing a pedestrian walkway along the river's edge on the Eggers property and is desirous of providing for a winter snow dump area on another portion of the Eggers property adjacent to the river; and the parties desire to enter into an agreement setting forth their rights and responsibilities relating thereto;~~

~~NOW, THEREFORE, in addition to all of the understandings and obligations set forth in the agreement of January 17, 1984 between the City and Eggers, it is mutually agreed as follows:~~

- ~~1. Eggers grants to the City an easement over and across a twelve-foot strip of land running along the edge of the West Twin River over the entire length of property owned by Eggers together with a six-foot access easement along the west boundary between~~

~~14th Street and the river. The City shall have the right to install and maintain fencing, landscaping, sidewalk, benches and waste containers and hold said area open for the use of the general public as a public walkway and recreation area. The City shall be required to maintain said area and shall keep the same free of all waste and debris. It is specifically understood that the City shall not be required to maintain any sheet piling along the river's edge nor shall it be required to maintain the bituminous concrete on the Eggers parking lot and shall not be required to replace any of the items initially placed upon the easement area by the City.~~

2. ~~In addition to the above, Eggers grants to the City an easement to go upon and use the parcel of land known as the Old Mirro Plant 4 site, both east and west of Monroe Street for the purpose of dumping snow during the snow season. The City shall not be allowed to dump snow in that part of this area which Eggers requires for its own use. In exchange for the exclusive snow dump use, the City will maintain the snow dump area during the necessary maintenance months by mowing lawn, pruning trees, and collecting trash, but shall not be required to replace any vegetation unless damaged by the City. The City agrees to plow the parking lot north and west of the Eggers building, but shall not be required to haul away any snow.~~

3. In the event any utilities are installed along the river easement area and Eggers makes use of any electricity or water, Eggers shall pay the City an amount equal to the metered rate for

the use of such utilities.

4. The easements granted herein may be terminated by either party upon 180 days written notice. In the event the river access easement is terminated by Eggers, the City shall have the right to remove any and all property placed thereon by the City, but shall not be required to remove any of such items unless the City so chooses.

5. The City agrees to carry liability insurance covering the easement area. In addition, the City shall indemnify and hold Eggers harmless of and from claims, demands, judgments and other liabilities arising from personal injuries, deaths or property damages arising or to arise out of the City's or the public's use of the easement area herein described. This indemnity and hold harmless shall also include reasonable attorneys' fees and litigation costs.

6. This agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors, and assigns.

Dated this 5th day of May, 1986.

CITY OF TWO RIVERS

EGGERS INDUSTRIES

Stephen T. Johnson
CITY MANAGER

John Eggers
PRESIDENT

Bernd A. Kuster
CITY CLERK



Exhibit C
Permanent Trail Easement Area

29902105.3

CERTIFIED SURVEY MAP NO. _____

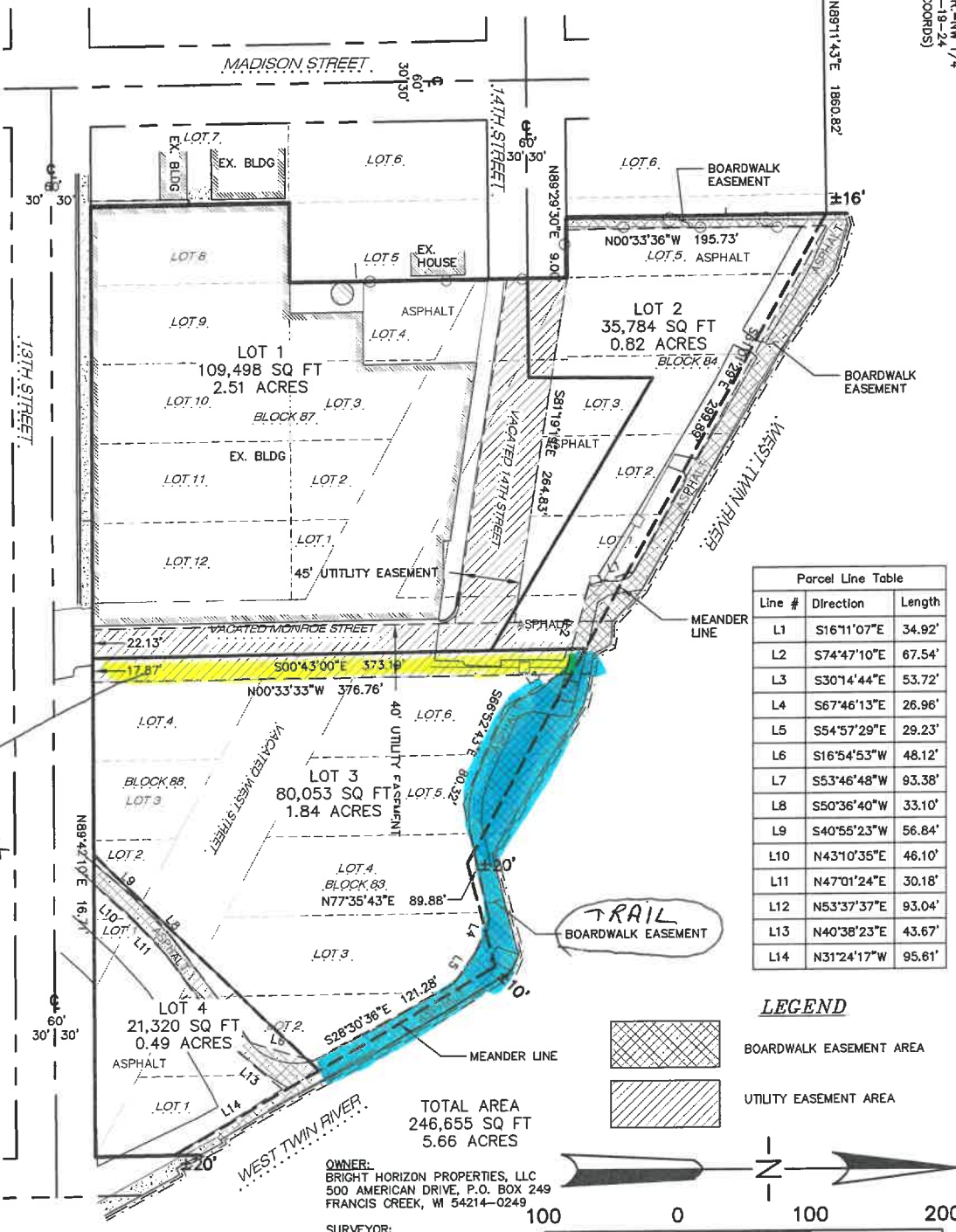
FOR
BRIGHT HORIZON PROPERTIES, LLC
 CSM RECORDED AS DOCUMENT NO. 1245957, BEING PART OF
 LOTS 1-6, BLOCK 83, LOTS 1-5, EXCEPT THE WEST 15 FEET
 OF LOT 5, BLOCK 84, LOTS 1-4 & 8-12, BLOCK 87,
 & LOTS 1-4, BLOCK 88, ORIGINAL PLAT
 CITY OF TWO RIVERS, MANITOWOC COUNTY, WISCONSIN

PROJECT NUMBER: 9.5296
 DATE: OCTOBER 4, 2023

SW COR.-NW 1/4
 SEC. 1-19-24
 (PK NAIL FOUND)

W. LINE-NW 1/4-SEC. 1-19-24
 N00°48'17"W 2737.73'
 209.62'

CERTIFIED SURVEY MAP # _____
 VOLUME _____
 PAGE _____
 SHEET 2 OF 4 SHEETS

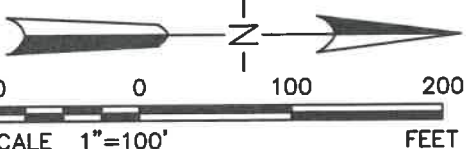


Temporary
 Const.
 Easement

Line #	Direction	Length
L1	S16°11'07"E	34.92'
L2	S74°47'10"E	67.54'
L3	S30°14'44"E	53.72'
L4	S67°46'13"E	26.96'
L5	S54°57'29"E	29.23'
L6	S16°54'53"W	48.12'
L7	S53°46'48"W	93.38'
L8	S50°36'40"W	33.10'
L9	S40°55'23"W	56.84'
L10	N43°10'35"E	46.10'
L11	N47°01'24"E	30.18'
L12	N53°37'37"E	93.04'
L13	N40°38'23"E	43.67'
L14	N31°24'17"W	95.61'

LEGEND

- BOARDWALK EASEMENT AREA
- UTILITY EASEMENT AREA



OWNER:
 BRIGHT HORIZON PROPERTIES, LLC
 500 AMERICAN DRIVE, P.O. BOX 249
 FRANCIS CREEK, WI 54214-0249

SURVEYOR:
 J.E. ARTHUR & ASSOCIATES
 548 PRAIRIE ROAD
 FOND DU LAC, WI 54935

TOTAL AREA
 246,655 SQ FT
 5.66 ACRES

J. (2) Agreement with Scott Crawford Financial, Inc.

To be distributed at Monday's meeting