



# CITY COUNCIL MEETING

Monday, February 19, 2024 at 6:00 PM

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

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## 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. PUBLIC HEARING**

**6. INPUT FROM THE PUBLIC**

**7. COUNCIL COMMUNICATIONS**

Letters and other communications from citizens

**8. COUNCIL REPORTS FROM BOARDS/COMMISSIONS/COMMITTEES**

**9. CITY MANAGER'S REPORT**

**A.** Invited Guests

1. Justin Fischer, Baird Public Finance, for a Presentation on the City's 2024 Borrowing for Capital Project

(Staff recommends, following this presentation, that the Council consider taking up Agenda Item 11.C., Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$3,020,000 General Obligation Promissory Notes for 2024 Capital Projects)

**B.** Status Update/Reports

1. Staffing Updates

2. Congratulations to Assistant Police Chief Melissa Wiesner on Being Named 2023 Woman Police Officer of the Year by the Wisconsin Association of Women Police

3. League of Woman Voters Council Member Candidate Forum, Thursday, March 7, 2024, 7:00 PM, Council Chambers City Hall, Recorded and Livestreamed City's Website and Facebook

4. Two Rivers Business Association Council Member Candidate Forum, Tuesday, March 12, 2024, 7:00 PM, Council Chambers City Hall, Recorded and Livestreamed City's Website and Facebook

5. Spring Election & Presidential Preference Primary, April 2, 2024

6. Repair/Maintenance Activity on Downtown Washington Street Tree Grates
7. Recent Awards Recognizing Central Park West 365 Project
8. Upcoming Events:
  - a. The Price is Right, Saturday, February 24, 6:00 PM, Community House Gym, benefit Two Rivers Youth Sports
  - b. Tropical Blast Fundraiser, Saturday, February 24, 5:00 PM, Sepia Chapel, benefit Woodland Dunes Nature Center
  - c. Coffee with a Cop, Wednesday, February 21, 8:30 AM to 9:30 AM at Cool City Brewing Company and Monday, February 26, 8:30 AM to 9:30 AM, High Lift Coffee Shop
  - d. "Wisconsin's Shipwreck Coast" Presentations by State Maritime Archeologist Caitlin Zant (Topic: NOAA Research) on Thursday, February 29, 6:30 PM at Lester Public Library
  - e. "Our Land, Our Water, Our Future" Educational Series, Session on Storm Water Management, Thursday, March 7 at 6:00 PM, Lester Public Library with Speaker City Engineer/Public Works Director Matt Heckenlaible
  - f. Fire Department/IAFF Local 423 Annual Fish Boil, Friday, March 29 at Fire Station
  - g. Smithsonian/American Library Association Traveling Exhibit "World on the Move: 250,000 Years of Human Migration" at the Lester Public Library March 20 through April 23
9. Other

**C. Legislative/Intergovernmental Update**

- a. Wisconsin DNR on February 14, 2024 approved the Two Rivers Water Utility's request to cease use of sodium hydroxide for corrosion control, following the utility's implementation of orthophosphate feed for corrosion control in September 2023
- b. Other

**10. CONSENT AGENDA**

**A.** Presentation of Minutes

1. City Council, February 5, 2024
- Recommended Action:  
Motion to waive reading and adopt the minutes

**B.** Minutes of Meetings

1. Personnel & Finance Committee, February 15, 2024
  2. Public Utilities Committee, February 6, 2024
  3. Public Works Committee, February 7, 2024
  4. Advisory Recreation Board, January 9, 2024
  5. Plan Commission, February 12, 2024
  6. Environmental Advisory Board, January 16, 2024
  7. Police and Fire Commission, January 24, 2024
- Recommended Action:  
Motion to receive and file

**C.** Department Reports, January, 2024

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.** Applications and Petitions

1. Temporary Class "B" Retailer's License for Two Rivers Main Street, Bryan Lee Memorial Blues Festival, July 13, 2024, 1:00 PM to 10:00 PM at Central Park West, 1700 Washington Street
2. Temporary Class "B" Retailer's License for Two Rivers Main Street, Cool City Classic Car Show & Cruise, June 29, 2024, 4:00 PM to 10:00 PM and June 30, 2024, 9:00 AM to 2:00 PM at Central Park West, 1700 Washington Street
3. Temporary Class "B" Retailer's License for Two Rivers Main Street, Ethnic Fest, September 21, 2024, 8:00 AM to 5:00 PM, at Central Park West, 1700 Washington Street
4. Temporary Class "B" Retailer's License for Two Rivers Main Street, Great TRivia Contest, March 8, 2024, 5:00 PM to 10:00 PM, at the Community House, 1710 W. Park Street
5. Temporary Class "B" Retailer's License for Friends of Two Rivers Snow Fest, Snow Fest Cornhole Tournament, April 7, 2024, at the Community House, 1710 W. Park Street
6. Temporary Class "B" Retailer's License for Friends of Two Rivers Snow Fest, Two Rivers Snow Fest 2024, July 26-28, 2024, at Neshotah Park, 2111 Pierce Street

Recommended Action:  
Motion to approve the applications and authorize issuance of the licenses

**E.** Audit Reports for Tax Incremental districts and WEDC CDI Grant

1. Audits of Tax Incremental Districts 6, 8, 9, 10, 11 and 12, Each From Date of Creation through December 31, 2022

Recommended Action:  
Motion to receive and file

2. Audit of WEDC CDI Grant, Per CDI Contract FY22-53218 (\$250,000 Grant That Assisted with Development of Cool City Brewing Company, for the Period April 12, 2022 through December 31, 2023) -- Second Financial Report for this Grant, Now Fully Expended, Along with Required Developer Match

Recommended Action:  
Motion to receive and file

**F.** Recommendation from the Plan Commission Meeting of February 12, 2024

Set Public Hearing on Conditional Use Permit Application by Hawk Battery Energy Storage System Project Proposed for a Parcel located in the I-2 Zoning District at the Woodland Industrial Park (Parcel 053-233-404-010.01, Located on the West Side of Woodland Drive Approximately 1,000 Feet North of STH 310)

Recommended Action:  
Motion to set the public hearing for Monday, March 4, 2024 at 6:00 PM

**RECOMMENDED ACTION FOR CONSENT AGENDA**

**Motion to approve the Consent Agenda with the various actions recommended**

**11. CITY COUNCIL - FORMAL ITEMS**

- A.** Consider Amendment to Tax Incremental Financing Property Sale, Cash Grant and Developer's Performance Agreement With The Confluence, LLC, to Modify Timetable for Certain Required Actions and Approvals—Project Update from Kip Golden of CR Structures and the YBR Properties, LLC

Recommended Action:

Motion to approve the amendment as presented

**B.** Recommendation from Plan Commission Meeting of February 12, 2024:

Recommended Provisions to be Included in a Possible Amendment to the City's Sign Ordinance, Title 10 Chapter 4 of the Municipal Code, Pertaining to Placement of Signs Advertising Private Businesses on Public Sidewalks in Business Districts (Matter Referred back to the Plan Commission by City Council at its December 18, 2023 meeting, Following Plan Commission's Recommendation That Such an Amendment Not be Adopted)

Recommended Action:

Following Council review of the proposed provisions, either:

1. Refer back to the Plan Commission, with any modifications directed by the Council, to be reviewed, put in final ordinance form and returned to the City Council for final action; or
2. Direct staff to prepare an ordinance amendment, reflecting any modifications directed by the City Council, to be brought back for Council action at the next regular meeting;
3. Provide initial feedback, then table pending a survey of downtown area businesses by the Two Rivers Main Street Office (directed by Main Street Board at its February 14, 2024 meeting)

**C.** Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$3,020,000 General Obligation Promissory Notes for 2024 Capital Projects

Recommended Action:

Motion to waive reading and adopt the resolution, as recommended by the Personnel and Finance Committee

**D.** Professional Services Agreement with McMahon Associates, for Services Related to Updating the City's Storm Water Management Plan and Related Programs and Ordinances—Cost Not to Exceed \$90,044, Funded Half from a WI DNR Urban Non-Point Stormwater Management Planning Grant and Half from the Storm Water Utility (2024 Budgeted Project)

Recommended Action:

Motion to authorize the City Manager to execute the contract on behalf of the City, as recommended by the Public Works Director/City Engineer and the City Council Utilities Committee

**E.** Consider Rescheduling February Work Session (City Manager Unable to Attend on Monday, February 26)

Recommended Action:

Motion to reschedule February Work Session to Thursday, February 29 at 6:00 PM

**12. FOR INFORMATION ONLY**

A. City Council Regular Meeting, Monday, March 4, 2024, 6:00 PM -- Agenda will include public hearing on Roosevelt Avenue special assessments; public hearing on proposed conditional use permit for Tenaska Battery Electric Storage System at Woodland Industrial Park; award of bid for Roosevelt Avenue Reconstruction, among other items

**13. ADJOURNMENT**

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

*In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Two Rivers will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the City Clerk's office at 920-793-5526 or email [clerk@two-rivers.org](mailto:clerk@two-rivers.org) at least 48 hours prior to the scheduled*

*meeting or event to request an accommodation. For additional assistance, individuals with hearing or speech disabilities can call 711 and be connected to a telephone relay system.*

*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.*

**BAIRD**

# City of Two Rivers

City Council Meeting

February 19, 2024

Justin A. Fischer, Managing Director

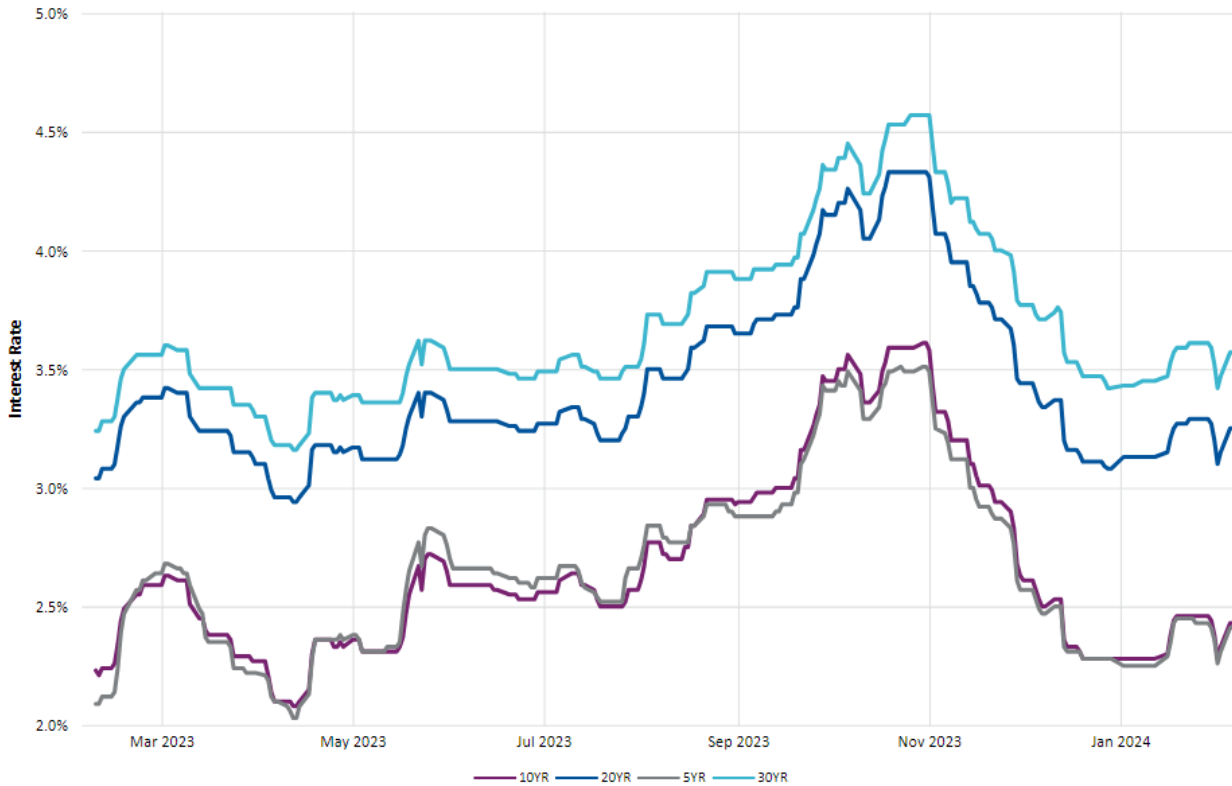
[jfischer@rwbaird.com](mailto:jfischer@rwbaird.com)  
777 East Wisconsin Avenue  
Milwaukee, WI 53202  
Phone 414.765.3827

# City of Two Rivers

City Council Meeting  
February 19, 2024



## AAA Municipal Market Data (MMD) Yield



Source: Refinitiv as of February 6, 2024

## Board of Commissioners of Public Lands

### Current Interest Rates

Current General Obligation Loan Interest Rates  
(Effective as of January 10, 2024)

Loan Term	Interest Rate
2 Years	6.00%
3 - 5 Years	6.00%
6 - 10 Years	6.00%
11 - 20 Years	6.00%

# City of Two Rivers

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## Timeline

- P&F considers plan of finance .....February 15, 2024
- City Council considers plan of finance and adopts Parameters Resolution.....February 19, 2024
  - Authority for final sign-off of the sale, within designated parameters, is delegated to its City Manager or Finance Director (an "Authorized Officer")
  - Preparations are made for issuance
    - ✓ Official Statement
    - ✓ Discussions with Bond Insurance Companies
    - ✓ Marketing
- Authorized Officer signs Approving Certificate (finalizes terms and interest rates) .....March 2024
- Closing (funds available).....April 1, 2024

## Borrowing/Structure/Purpose

<b>Estimated Size:</b>	<b>\$3,020,000</b>
<b>Issue:</b>	General Obligation Promissory Notes
<b>Purpose:</b>	2024 Capital Improvement Projects <ul style="list-style-type: none"> <li style="width: 50%;">• Levy Supported: \$1,890,000</li> <li style="width: 50%;">• Solid Waste Supported: \$200,000</li> <li style="width: 50%;">• TID #12 Supported: \$455,000</li> <li style="width: 50%;">• Storm Water Supported: \$275,000</li> <li style="width: 50%;">• TID #14 Supported: \$200,000</li> </ul>
<b>Structure:</b>	Matures April 1, 2025-2034
<b>First Interest:</b>	April 1, 2025
<b>Callable:</b>	April 1, 2031 or any date thereafter
<b>Estimated Interest Rate:</b>	4.00%
<b>Max. Parameters Interest Rate:</b>	5.00%





# City of Two Rivers

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## Illustration of Hypothetical 2024 CIP

2024 CIP													
<b>\$3,020,000</b>													
<b>G.O. PROMISSORY NOTES</b>													
Dated April 1, 2024 (First Interest 4/1/2025)													
YEAR DUE	NET EXISTING DEBT SERVICE (Levy Supported) (A)	2024 CIP			New Money \$1,890,000 Levy	New Money \$455,000 TID #12	New Money \$200,000 TID #14	New Money \$200,000 Solid Waste	New Money \$275,000 Storm	COMBINED DEBT SERVICE (Levy Supported)	EXAMPLE FUTURE ISSUES Levy Supported (C) (D)	TOTAL Levy Supported With Future Issues	YEAR DUE
		PRINCIPAL (4/1)	NET INTEREST (B) (4/1 & 10/1) TIC= 4.00%	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL					
2024	\$2,693,584				\$215,331	\$18,736	\$15,342	\$24,445	\$33,069	\$2,693,584	\$0	\$2,693,584	2024
2025	\$2,495,861	\$175,000	\$131,923	\$306,923	\$163,360	\$20,822	\$19,194	\$23,066	\$36,011	\$2,711,192	\$0	\$2,711,192	2025
2026	\$2,429,559	\$135,000	\$127,453	\$262,453	\$253,060	\$69,822	\$18,794	\$27,366	\$35,011	\$2,592,919	\$120,000	\$2,712,919	2026
2027	\$1,913,642	\$285,000	\$119,053	\$404,053	\$250,760	\$67,822	\$18,394	\$26,566	\$34,011	\$2,166,702	\$547,900	\$2,714,602	2027
2028	\$1,910,345	\$290,000	\$107,553	\$397,553	\$253,160	\$70,722	\$17,994	\$25,766	\$33,011	\$2,161,105	\$550,000	\$2,711,105	2028
2029	\$1,679,781	\$305,000	\$95,653	\$400,653	\$255,160	\$68,522	\$17,594	\$24,966	\$36,911	\$1,932,941	\$780,100	\$2,713,041	2029
2030	\$1,183,813	\$320,000	\$83,153	\$403,153	\$251,860	\$66,322	\$17,194	\$24,166	\$35,711	\$1,438,973	\$1,273,100	\$2,712,073	2030
2031	\$865,150	\$325,000	\$70,253	\$395,253	\$251,742	\$68,608	\$45,918	\$23,228	\$34,304	\$1,117,010	\$1,596,600	\$2,713,610	2031
2032	\$627,650	\$370,000	\$53,800	\$423,800	\$254,503	\$70,246	\$48,632	\$27,018	\$32,690	\$879,392	\$1,835,200	\$2,714,592	2032
2033	\$352,225	\$400,000	\$33,087	\$433,087	\$251,591	\$66,749	\$46,211	\$25,673	\$35,942	\$606,728	\$2,104,600	\$2,711,328	2033
2034	\$218,225	\$415,000	\$11,164	\$426,164						\$469,816	\$2,241,500	\$2,711,316	2034
	<b>\$16,369,835</b>	<b>\$3,020,000</b>	<b>\$833,092</b>	<b>\$3,853,092</b>	<b>\$2,400,526</b>	<b>\$588,370</b>	<b>\$265,266</b>	<b>\$252,259</b>	<b>\$346,670</b>	<b>\$18,770,361</b>	<b>\$11,049,000</b>	<b>\$29,819,361</b>	

(A) Existing Debt service is shown net of TID, Sewer and Water offsets.

(B) Net of hypothetical bid premium on estimated debt service in the amount of \$70,306.

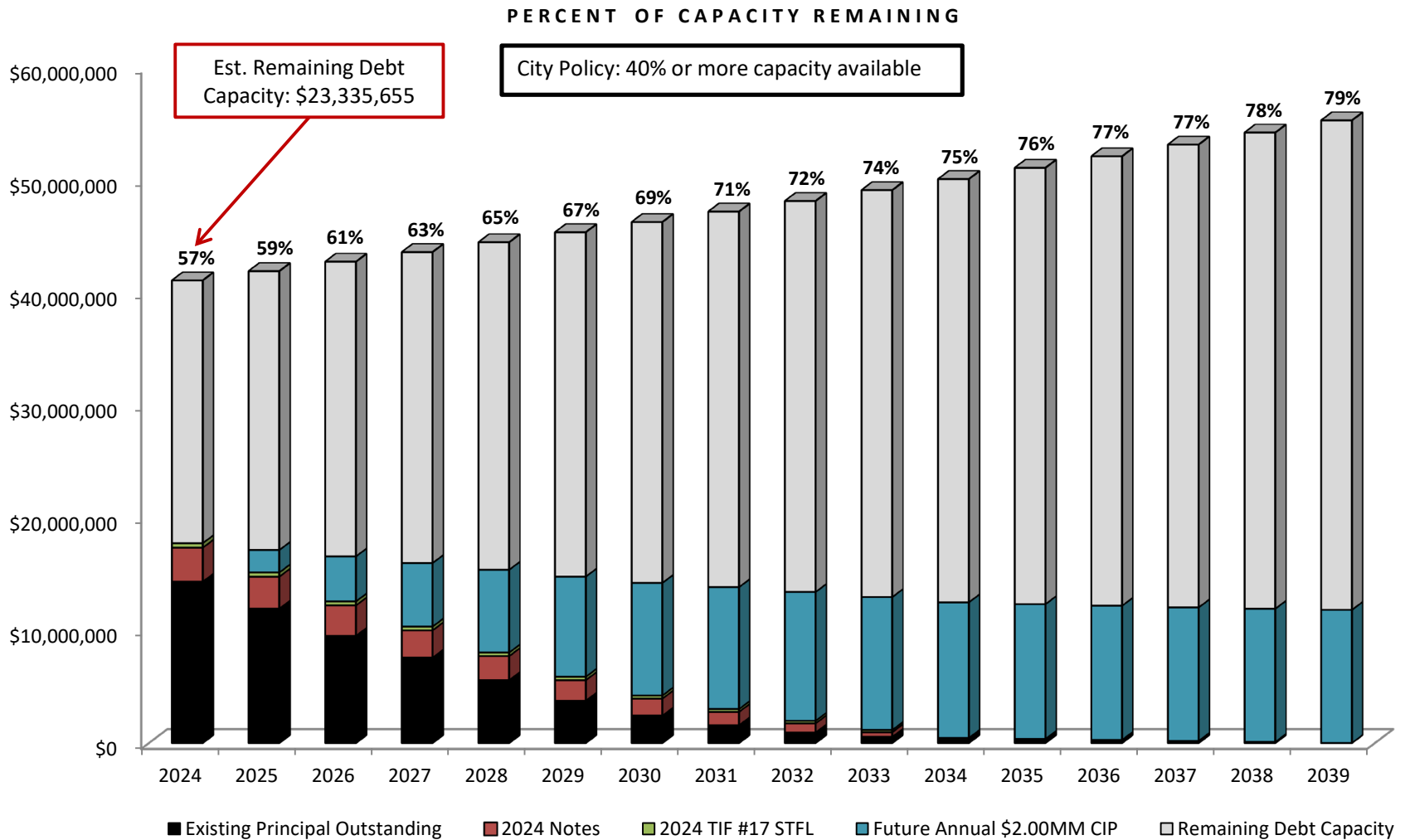
(C) Future issues assume annual \$2,000,000 borrowings amortized over a maximum of 10 years starting in 2025 at an average interest rate of 4.00%.

(D) This information is provided for information purposes only. It does not recommend any future issuances and is not intended to be, and should not be regarded as, advice.

# City of Two Rivers

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## General Obligation Debt Capacity (5% of Equalized Value TID-IN)



Note: Future capacity based on 2023 Equalized Valuation (TID-IN) of \$805,603,600 with annual growth of 2.00%.



# CITY COUNCIL MEETING

Monday, February 05, 2024 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. There is one vacancy on the Council at this time.

**ALSO PRESENT:** Andrew Raatz, Police Captain; Jeff Dawson, Library Director; Elizabeth Runge, Community Development Director/City Planner; Matthew Heckenlaible, Public Works Director; Dave Murach, Fire Chief; Dave Buss, Finance Director; Brian Dellemann, Electric Utility Director; Joe Metzen, Tourism Director; Dave Dassy, IT Assistant; and Greg Buckley, City Manager

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

None.

At this point in the meeting, the Council President requested that the City Council consider Agenda Item 6 out of order. There being no objections, the Council proceeded to Item 6. See Clerk's note on this Agenda Item.

**6. INPUT FROM THE PUBLIC**

None.

**5. PUBLIC HEARING**

- A. Conditional Use Permit for Self-Storage Units on the Property Located Between the End of 15th Street, Just West of Washington Street, and the West Twin River (Parcel 053-000-076015.03), Submitted by Alliance Construction and Design on Behalf of Eric Burrows, Owner  
Recommended Action:

Following the public hearing, motion to table action on this application, pending further City Council review of the Plan Commission's bases for denial, possible conditions that might be attached to a conditional use permit, and City ordinance and State statutory provisions pertaining to conditional uses

Recommended for denial by Plan Commission at its December 11, 2023 meeting

City Manager Greg Buckley provided background on the conditional use permit.

The first call of the public hearing for public input was opened by Council President Wachowski and he reviewed the six opposing email submissions that were sent to the Council and/or City staff prior to the meeting.

Susan Robitaille, 2313 Jefferson Street, expressed her family's opposition to allowing Conditional Use Permit. This property is a priority site on the City's comprehensive plan. She recommended that, based on that plan, the Council deny the permit and require the zoning code ordinances be updated to reflect the changes in State law regarding zoning conditional use permits implemented by Act 67.

Mark Bittner, 3311 Monroe Street, stated that he is aware of concerns from residents regarding this type of development in the heart of downtown. He suggested delaying the permit to allow consideration of a better use of the property.

Gary Stolp, 1400 Washington Street, Subway property owner, expressed his opposition based on the South lot lines that do not match his records, the placement of storm water is not in the plan, and he suggested working with owner to clean up the property and not cover up what may be an environmental problem.

Larry Veldre, VP Investments, 1448 Terrace Court, stated he is an owner of storage units that are 100% full. He questioned why the Plan Commission recommended denial. Council President Wachowski stated it was denied on the bases of lack of storm water management plans, hours of operations and to tight access for emergency vehicles. Mr. Veldre stated that he does not like outside influences to tell him what to do with his properties.

David VanGinkel, 1422 Washington Street, stated that he has owned the adjacent property for ten years and has had problems with the property in question with long grass, nesting geese, trees growing into the power lines and along the fence. He expressed concern about an individual who was living in a pickup truck and on the property two years ago. He also stated that he has called the owner of the property with an offer to purchase the property with no reply on that offer.

Dawn Boppre, 1421 25<sup>th</sup> Street, expressed her opposition based on the area being better suited for a different use.

The second call of the public hearing for public input was opened by Council President Wachowski.

Olivia Vander Heiden, Alliance Construction & Design, 1050 Broadway Street Wrightstown WI 54180 stated she is the designer of the project with the intent to develop the property to make it better. They are working with Stantec Engineering and alterations still can be added. The owner is willing to work with the City and is flexible. They understand that there will be the need for a stormwater plan, landscaping plan and other details regarding the development, but understand that those matters are typically considered when the Plan Commission does site plan review.

John Vogt, 350 23<sup>rd</sup> Street, stated he was against the Conditional Use Permit based on the City's Comprehensive Plan.

The third and final call of the public hearing for public input was opened by Council President Wachowski. No one addressed the Council and the public hearing was closed.

Motion made by B. LeClair, seconded by Dahlke to deny the Conditional Use Permit for Self-Storage Units on the Property Located Between the End of 15th Street, Just West of Washington Street, and the West Twin River (Parcel 053-000-076015.03).  
Motion carried with a roll call vote.

Discussion took place regarding the proposed denial being based on reasons cited by the Planning Commission that included lack of storage, hours of operation, too tight of space for emergency vehicles, landscaping issues and lack of a storm water plan.

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

**6. INPUT FROM THE PUBLIC**

*Clerk's Note: Item 6 moved to after item 4.*

**7. COUNCIL COMMUNICATIONS**

Letters and other communications from citizens

Councilmember Dahlke stated that he had the following communications:

- He received a question on why redesigned Lincoln Avenue does not get windrowed after a snowstorm. Mr. Buckley stated that the street was narrowed as the result of the reconstruction project several years ago, and in the course of approving that design, the Council and the public were advised that plans were to no longer windrow snow, but instead to plow it to the sides.
- He received complaints about broken trash and recycling bins from Manitowoc Disposal.
- He received a comment from a resident that pays over \$5,000 in property taxes stating that they shouldn't have to pay for garbage stickers. The City Manager noted that garbage stickers are the primary funding source for the City's Solid Waste Utility, which like other utilities is supported by user fee revenue.
- He was talking with residents asking for a transparent dialog with the City and LB Clarke school regarding residents' concerns and transferring their children out of the school.

Councilmember Wachowski stated that he had the following communications:

- He received residents expressing appreciation on the flexibility of parking ban.
- He received comments expressing appreciation of the ice rink.

**8. COUNCIL REPORTS FROM BOARDS/COMMISSIONS/COMMITTEES**

Councilmember D. LeClair reported on the following boards:

--Environmental Advisory Board will have three upcoming presentations regarding stormwater, climate change and recycling.

--Main Street upcoming events are Sweet Street Saturday, Saturday, February 10, 2024, 10:00 AM to 2:00 PM, Downtown and the Great Trivia Contest on Friday, March 3, 6:00 to 9:30 PM in the J.E. Hamilton Community House Gym.

Councilmember B. LeClair reported from Committee on Aging on the Senior Center accomplishments for 2023 and announced that the City received the 2023 Park Design Award for Central Park West from the Wisconsin Park & Recreation Association.

**9. CITY MANAGER'S REPORT**

A. Invited Guests

1. Representatives from Omaha-based Tenaska, which proposes to develop a battery energy storage system facility (BESS) in the Two Rivers Woodland Industrial Park, were introduced to provide a presentation on the proposed facility. The City Manager noted that this project will be on the agenda for the February 12 Plan Commission Meeting; that body will consider a recommendation to the City Council on a zoning conditional use permit for that project.

Mr. Buckley introduced Tenaska representatives. Spokesman for the project, Jarrod noted that Tenaska, a major developer of electrical generation and storage facilities, is proposing to construct a 150-megawatt battery energy storage system (BESS) facility on an approximately 9.4 acre site at the City's Woodland Industrial Park.

In the presentation, Mr. Pitts further reported that the planned BESS--identified as the Hawk Energy Storage Project--would be capable of storing up to 600 megawatt hours of electrical energy, enough to supply the power needs of 100,000 homes for four hours.

He further stated that Tenaska's planned capital investment in the project is \$250 million. In addition to improving the resiliency of the regional electrical grid, the project would provide significant tax revenues to Two Rivers.

Next step for the project is review by the City's Plan Commission on February 12. That body will make a recommendation to the City Council regarding a zoning conditional use permit (CUP) for the facility. The Council will then hold a public hearing and take action on the CUP in March.

B. Question and Answer Session: Discussion Between City Council Members and Tenaska Project Representatives

Council member B. LeClair asked is there was a contract or agreement with the City's energy supplier, WPPI Energy. Mr. Pitts responded at this time there have been no discussions about contracting with WPPI.

Council member Shimulunas asked how long the batteries last. Mr. Pitts responded that this is a 20-year project.

Council member Wachowski asked what will happen to the plant after the 20 years. Mr. Pitts responded that the plant will possibly be decommissioned; a decommissioning plan with a financial surety in place would assure that all elements of the BESS are removed and the site restored.

C. 2023 State of the City Report by City Manager Gregory Buckley. Highlights:

• **2023 Infrastructure Investments**

Infrastructure work included:

Asphalt resurfacing of portions of Zlatnik Dr. and 18th Street, near the beach

Reconstruction of Lincoln Street, 17th to 22<sup>nd</sup>

Construction of a portion of the new, off-street segment of Mariners Trail along East Street

Investment in utility infrastructure included continued efforts to "get the lead out" of our water system (about 1,500 lead service laterals, out of just over 5,000 total services, remain) and installation of a new screw press at the wastewater treatment plant, a \$2 million project.

• **Investing in Community Quality of Life AND a Vital, Active Downtown**

Central Park West 365 was the year that the community brought to fruition a dream born in early 2021. What started out as discussion of where to place a new splash pad and a new outdoor skating rink soon became an ambitious plan for redeveloping Two Rivers premiere outdoor gathering space into an active, year-round venue for outdoor events and activities in the heart of downtown. Project price tag was initially put at \$1.6 million and two-thirds of the ultimate cost of \$1.7 million came from community donations and grants.

2023 also saw completion of a new destination playground at Neshotah Park, construction cost of \$400,000. This is the first of many improvements planned at the park, following a new Master Plan developed and adopted in 2023.

• **Tourism Development**

Tourism continued to grow in importance to the local economy in 2023. Room tax revenues totaled \$320,000, up more than 150 percent from just 4 years ago. Explore Two Rivers, Inc. was established as our local 501(c)6 tourism entity. Joe Metzen came on board January 15, 2024 as Two Rivers' new Tourism Director.

• **New Single-Family Residential**

Six new homes were constructed in 2023 at the City-developed Sandy Bay Highlands conservation subdivision. There are currently two spec homes available: one recently completed, the other under construction. The City hopes to construct Phase 3, opening up 13-15 more homesites, in 2024. New construction in Two Rivers totaled a modest \$2.36 million.

• **Public Art**

The appearance of downtown Two Rivers was enhanced through the cooperative efforts of Two Rivers Main Street, the City and volunteers, including local artists whose works were featured on downtown banners and a legion of "Yarn Bombers".

Courtesy of our local Sister Cities group and supporters, new public art commemorating Two Rivers' friendship with the town of Domazlice, Czech Republic, was added to downtown with a mural and friendship table.

• **New Developments to Look Forward to in 2024**

Braun to Build New Truss Plant at Two Rivers Industrial Park. The company will be investing about \$2.1 million in a new, 28,000 SF facility. Construction will begin in the Spring of 2024, with completion and occupancy by early 2025.

Proposed Battery Energy Storage System (BESS) Project by Tenaska at Woodland Industrial Park—Proceeding With the Planning Process in 2024, for Possible Construction Start in 2025

Starbucks Coming to 1509 Washington Street. Plans received approval in November 2023. Demolition of the former Schwarz's Pub/The Dock building slated for Spring 2024, followed by construction of a new 2,448 SF building with drive-through entering and exiting from 15th Street. Development is proceeding with no City financial assistance.

Phase 3 of the Sandy Bay Highlands conservation subdivision with 13 to 15 more homesites.

West River Lofts, a 54-unit affordable family housing development proposed for vacant land near the former Eggers West plant on the West Twin River, is moving closer to reality. The \$14 million project is being assisted with various State and Federal tax credits and grants. City Tax Incremental District No. 17 was created in 2022 to further address project funding needs with a \$500,000 pay-as-you go grant and \$400,000 in funding for shoreline improvements, including an improved public walkway. The project has recently experienced a delay related to determining the responsible party for addressing PFAS contamination on the site.

The Confluence, a \$17 million, 71-unit market rate apartment building is proposed for construction on the City-owned former Eggers downtown plant site. City Tax Incremental District No. 16 was created to assist this project. Proposed TIF assistance is \$1.8 million, half borrowed by the City, the other half "pay as you go," from TIF revenues created by the development. A representative of developer CR Structures is scheduled to attend the February 19 City Council meeting, to provide an update on the project.

2024 will see active discussion of plans to re-develop the historic Water Department Building” as a trailhead and visitor information center, in tandem with efforts of Explore Two Rivers and the Shipwreck Coast National Marine Sanctuary.

• **2024 Infrastructure Investment**

Roosevelt Avenue Reconstruction, 6th Street to 12th Street, Including All Utilities

- \$5 million project; bid award targeted for March 2024
- Design includes eliminating parking on one side of the street, with parking lanes alternating sides over the length of the project—intended to encourage traffic calming, introduce more greenspace along this major collector street. Includes replacement of approx. 50 lead water service laterals

Lead Water Service Lateral Replacement—Scattered Sites

- Investment of About \$1.5 mm in City and County American Rescue Plan Act funds
- Anticipate replacing about 200 lead services

Bike/Pedestrian Safety Project, Washington Street Bridge

- \$450,000 investment of local funds, from TID 12, Cobblestone Hotel TID
- Will create a 10-foot wide bike/ped facility on the McDonalds side of the bridge, in place of the existing sidewalk, with crash barrier separating it from vehicular traffic
- To be completed by City in advance of 2025 project by WisDOT that includes resurfacing all of Memorial Drive and re-decking the Washington Street bridge

Phase 3 street and utility infrastructure for Sandy Bay Highlands Subdivision, 13-15 lots--\$1 million

Extension of Brown’s Drive at the Woodland Industrial Park, to serve a new building to be built in 2024 by Athens Development, the truss division of Braun Building Center--\$200,000

Concrete pavement replacement, scattered, including downtown crosswalks-- \$135,000  
Replacement of defective sidewalks, scattered locations--\$50,000

Continued improvements at Neshotah Park, consistent with the park master plan approved in 2023--\$240,000 (\$120,000 City funded)

Replacement of two 2007 DPW dump/plow trucks, funding split 2023/2024--\$500,000 total

Replacement of the City’s 2013 street sweeper, borrowing to be repaid from the storm water utility--\$275,000

Replacement of two Police Department patrol vehicles with new hybrid vehicles

Automated Beach Condition Warning System

D. Status Update/Reports

1. Staffing Updates

Mr. Buckley reported Tyler Duessing was promoted from Electrician/Electrical Inspector to Line Worker Apprentice, Steven Gretz was promoted from Meter Technician to Electrician/Electrical Inspector and there is ongoing recruitment for a meter technician. Finance Director Dave Buss will be retiring June 21.

2. Full Summer of Events Planned for 2024

Mr. Buckley reported on a full lineup of Concerts in the Park and Bands on the Beach.



3. Two Rivers/Manitowoc Visitor Guide

Mr. Buckley reported the Two Rivers Manitowoc Visitor Guide has launched for 2024. The visitor guide is one of the largest marketing pieces created and distributed by destination marketing organizations annually to showcase points of interest and information about a particular destination for visitors. To request visitor guides, please contact Explore Two Rivers at [tourism@two-rivers.org](mailto:tourism@two-rivers.org)

4. "World on the Move" Exhibit at Lester Public Library, March 18 to April 24

Mr. Buckley reported the Lester Public Library is one of 15 libraries in the U.S. to host an exhibition that aims to help people appreciate migration histories.

5. \$3.00 Garbage Stickers Now on Sale: Use Required as of March 4

Mr. Buckley reminded residents the \$3.00 garbage stickers are now available and the \$2.50 stickers can be redeemed at face value at City Hall.

6. Status Report on Sandy Bay Highlands Conservation Subdivision, Phase 3

Mr. Buckley reported the Preliminary Plat was approved by City Council in December 2023. McMahon Associates has since submitted applications to Wisconsin Department of Natural Resources (WDNR) and US Army Corp of Engineers (USACOE) for permission to fill wetlands. WDNR's initial response is that they believe that the development can avoid wetlands and is awaiting further alternative analysis. USACOE's initial verbal response is that they have no jurisdiction of these wetlands (not connected) and have sent a preliminary review to EPA for their concurrence. McMahon is stating that with USACOE's lack of jurisdiction will put these wetlands into a different category of coverage by WDNR which should allow the City to fill up to 10,000 SF of wetlands. The wetlands that are proposed to be filled are within a proposed cul-de-sac street. Anticipating receiving wetland permit information in the middle of February. City Engineering Staff along with McMahon are continuing with the infrastructure (sewer, water, roadway) and stormwater design and plans.

7. Upcoming Events:

- a. Sweet Street Saturday, Saturday, February 10, 2024, 10:00 AM to 2:00 PM, Downtown
- b. Manitowoc County 35th Annual Winter Derby, February 10, 10:00 AM to 6:00 PM, Shoto Conservation Club
- c. TRBA FUNdraising Night, Saturday, February 10, 6:00 PM, Hamilton Wood Type & Printing Museum
- d. Big Wood Type Letterpress Workshop, Saturday, February 17, 9:00 AM, Hamilton Wood Type & Printing Museum
- e. Tropical Blast Fundraiser, Woodland Dunes, Saturday, February 24, 5:00 PM, Sepia Chapel
- f. Pro-Wrestling Classic, Saturday, February 17, 6:00 PM, JE Hamilton, Community House Gym

8. Other

Mr. Buckley reported on the status of a possible ordinance change to allow business signage applied to the public sidewalks which will be on the February 12, 2024 Plan Commission agenda for its recommendations, as directed by the City Council. Then on the City Council agenda on February 19, 2024 and a Public Hearing on the ordinance amendment by City Council in March.

E. Legislative/Intergovernmental Update

**10. CONSENT AGENDA**

- A. Presentation of Minutes
  - 1. Regular City Council, January 15, 2024
  - 2. Work Session City Council, January 29, 2024

Recommended Action:  
Motion to waive reading and adopt the minutes
  
- B. Minutes of Meetings
  - 1. Business and Industrial Development Committee/Community Development Authority, January 30, 2024

Recommended Action:  
Motion to receive and file
  
- C. Applications and Petitions
  - 1. Temporary Class "B" / "Class B" Retailer's License for Roncalli Athletic Association, TRCCS Volleyball Tournament, JE Hamilton House Gym and Lobby, March 2-3, 2024, 7:30 AM to 11:30 PM
  - 2. Temporary Class "B" / "Class B" Retailer's License for Two Rivers Youth Sports, Price is Right Game Show, JE Hamilton House Gym and Lobby, February 24, 2024, Noon to 11:00 PM
  - 3. Temporary Class "B" / "Class B" Retailer's License for Manitowoc County Mariners Football LLC, Wrestling, JE Hamilton House Gym and Lobby, February 17, 2024, 2:00 PM to 11:00 PM

Recommended Action:  
Motion to approve the applications and authorize issuance of the licenses
  
- D. Finance Reports, November 2023
  - 1. Debt Service
  - 2. General Fund
  - 3. Lester Library
  - 4. Utilities Report

Recommended Action:  
Motion to receive and file
  
- E. Summary of Verified Bills for the Month of January, 2024 for \$5,312,236.58  
Recommended Action:  
Motion to receive and file

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

**11. CITY COUNCIL - FORMAL ITEMS**

- A. Ordinance Amending Municipal Code Section 2-5-5 Entitled Environmental Advisory Board to Repeal and Replace Section 2-5-5(E), "Duties"  
Recommended Action:  
Motion to waive reading and adopt the ordinance
  
- Motion carried with a roll call vote.  
 Motion made by Stechmesser, seconded by Koach.  
 Voting Yea: Dahlke, Koach, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski.

- B. Ordinance to Amend Municipal Code Section 1-2-1 entitled License, Permit and Other Established to Remove the Fee Listed for Storage Canopies

Recommended Action:

Motion to waive reading and adopt the ordinance

Motion carried with a roll call vote.

Motion made by B. LeClair, seconded by Koach.

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

- C. Ordinance to Amend Section 6-5-7 of the Municipal Code, Entitled "Restrictions on Keeping Dogs, Cats, and Other Animals" to Address Certain Restricted Species

Recommended Action:

Motion to waive reading and adopt the ordinance, as requested by the Police Department

Motion carried with a roll call vote.

Motion made by Stechmesser, seconded by Dahlke to table the ordinance.

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

- D. Resolution Pertaining to Community Pool Facilities

Recommended Action:

Motion to read and adopt the resolution

Motion carried with a roll call vote.

Motion made by Dahlke, seconded by D. LeClair.

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

- E. Resolution Proclaiming February 11, 2024 as 2-1-1 Day

Recommended Action:

Motion to read and adopt the resolution

Motion carried with a roll call vote.

Motion made by Stechmesser, seconded by Koach.

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

**12. FOR INFORMATION ONLY**

- 1. City Council Regular Meeting, February 19, 2024, 6:00 PM
- 2. City Council Work Session Meeting, February 26, 2024, 6:00 PM

Mr. Buckley stated he will not be available for the Monday, February 26 Work Session due to being at the APPA Legislative Conference in Washington DC. An email will be sent to re-schedule the meeting to a later day in the week.

- 3. Personnel & Finance Committee February 8, 2024, 6:00 PM—The City Manager noted that this meeting will be rescheduled.

- 4. Plan Commission, February 12, 2024, 6:00 PM

**13. ADJOURNMENT**

Motion to dispense with the reading of the minutes of this meeting and adjourn this meeting at 8:00 PM.

Motion carried with a voice vote.

Motion made by Dahlke, seconded by D. 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, February 15, 2024  
6:00 PM  
City Council Chambers – City Hall**

Section 10, Item B.

**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, Adam Wachowski, and Bonnie Shimulunas. Members of City Staff present were Gregory Buckley, City Manager; and David Buss, Finance Director. Also present was Tim Wienek representing RW Baird.

**Review proposed financing plan for 2024 capital projects**

City Manager Buckley reviewed the project list with total debt issue for this issue being \$3,020,000. The property tax supported portion of the debt issue will be \$1,888,586. RW Baird representative Tim Wienek then reviewed the financing plan, including the recent history of interest rates and the timeline for the upcoming borrowing. Tim also illustrated the impact on the City's Debt Capacity. The committee discussed various aspects of the borrowing plan. Motion by Wachowski, seconded by Shimulunas, to recommend the proposed borrowing plan to City Council, including the interest rate parameters proposed in the plan. Motion carried. Justin Fischer from RW Baird will attend the February 19<sup>th</sup> City Council meeting to answer any questions prior to Council's vote on this borrowing plan.

**Year End 2023 Overtime Report**

Finance Director Buss presented the December 2023 Overtime Report showing that overall overtime being lower compared to recent years. The committee discussed some of the variances on the report. No action was taken on this report.

**Succession Planning Discussion**

The committee discussed the upcoming retirement of Finance Director Buss, effective June 21, 2024. City Manager Buckley discussed the need for a six-to-eight week overlap between the new and retiring Finance Director for an adequate transition and training period. There are available funds from vacant positions that could be used to help finance the overlap. The recruitment process for the new Finance Director will begin as soon as possible.

**City Council Goals**

The committee discussed various potential projects that will be included in future setting of City Council goals. No action was taken.

**Adjournment**

Motion was made by Shimulunas, seconded by Wachowski, to adjourn the meeting at 7:03 PM. Motion carried.

Respectfully Submitted,

  
David Buss, Finance Director



**TWO RIVERS**  
WISCONSIN

# PUBLIC UTILITIES COMMITTEE MEETING

Tuesday, February 6, 2024 at 5:00 PM

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

## MINUTES

1. **CALL TO ORDER:** 5:09 pm

2. **ROLL CALL**

**Committee Members:** Darla LeClair, Tim Petri, Jeff Dahlke

**Staff & Others:** Matthew Heckenlaible, Scott Ahl, Brian Dellemann, Dave Casebeer

3. **REVIEW AND APPROVAL OF MINUTES**

Minutes from the January 2, 2024, Public Utilities Meeting

Jeff Dahlke made a motion to approve the January 2, 2024, Public Utilities Meeting minutes, seconded by Darla LeClair. Motion carried.

4. **PUBLIC INPUT** - N/A

5. **CONSTRUCTION PROJECTS**

**A. Scattered lead water service replacements (2024)**

DPW and Water Utility are still looking into 'alternative funding sources' through the WDNR called "Alternative Revenue Pledge." We just received information from WDNR and are looking into the feasibility of being able to obtain funding in 2024. It would be using Bi-Partisan Infrastructure Loan (BIL) dollars supplied to the state. This potentially would require the City to create an "LSL Funding Utility" and make some additional ordinance revisions. It would allow the City to then loan out these dollars to property owners with repayment terms, etc. Borrowing and lending this money would not require PSC approval. We hope to have additional information as the week progresses.

**B. Roosevelt Street reconstruction**

Public Works held a public informational meeting on January 11, 2024. Approximately 20 properties were represented and we have talked with a few others since then. Engineering met with Holy Family Memorial Clinic on February 2 to discuss the project and access/service to the clinic during construction. Overall, the project has been well received.

The project is out for bid and is scheduled to be opened on February 13, 2024. We will review the bids, make an award recommendation, and prepare final assessment documentation so that we can hold a Public Meeting at the March 4, 2024, City Council meeting. There is a lot of contractor interest in this project with 21 entities holding plan sets. We have also reached out to Frontier to try and eliminate the second set of overhead lines and power poles.

6. **WASTEWATER UTILITY: UPDATES AND ACTION**

**A. Sludge screw press project update**

All electrical components are now on site. The project electricians have run a lot of the necessary conduits and wiring as well as installing the control panel, two motor controllers and cabinets. Once installed, the cut over from the existing electrical to the new service can begin.

Startup hopefully by the end of February with some time to work out any unforeseen

**B. Riverside Foods update**

Staff met with Riverside Foods in late January where they provided a plan but are missing some details. They are proposing to install a 6,000 gallon grease interceptor to try and settle out and capture the fat, oil and grease that are making its way to the wastewater plant. An official plan submittal was made late afternoon February 6, 2024. Staff has noted that Riverside Foods has ramped up production over the last three months and amounts are notably less down at the treatment plant. We will see if it works. The next scheduled meeting is March 12.

**7. ELECTRIC AND TELECOMMUNICATIONS UTILITIES: DIRECTOR UPDATES AND ACTION, IF APPLICABLE**

**A. Tree trimming**

Electric staff continues to work on tree trimming between the rivers south of 34<sup>th</sup> Street. They are also working with Park & Recreation staff on the removal of trees impacted with Emerald Ash Borer. Electric staff will remove the tops of the trees to get them below the power lines and then parks staff will remove the remainder of the trees. All usable wood is hauled to the new cemetery where the general public can take it on a first come first serve basis.

It was noted that there was a tree trimming incident that did not directly involve City staff that caused a bump on the electrical system. Manitowoc County was removing a tree along Memorial Drive when a branch came in contact with a three-phase wire. Two Rivers Electrical Utility shut the county crew down and made contact with the Manitowoc County Highway Commissioner to discuss the incident and request documentation pertaining to the incident along with corrective measures.

**B. BESS update (battery electric storage systems)**

Brian Dellemann started the discussion by noting there is no connection between Two Rivers Electric Utility and this BESS project. WPPI has been watching at a distance as well and also does not have any contract or connection with the project at this time. WPPI has stated that it is not currently economical at this time, but they will keep analyzing the project as it continues to move through the process. Staff has had multiple meetings with the development team to gain better insight as to what the project and technology is and if it is a good fit for Two Rivers. Presently they are working through the zoning aspects of the project. Then, once that is in place, they will move on to additional design and technology selection after which they will seek out contracts with electrical providers. Since city staff does not have the expertise related to this new technology, we will most likely hire an outside consultant to assist in reviewing the plans and documentation along with construction oversight. These costs would then be submitted to the project team for reimbursement.

The general consensus of the committee members is that it appears to be a good project for the City.

**8. WATER UTILITY: DIRECTOR UPDATE, DISCUSSION AND ACTION, AS NEEDED**

– Andrew Sukowaty was not present, so additional Water Utility updates were not available

**A. Scattered lead water service replacement (2024) - Proposed program discussion**

See brief discussion above in Construction Projects.

**9. STORM WATER UTILITY: UPDATES AND ACTION, AS NEEDED**

**A. Urban Non-Point Planning Grant**

The contract was returned along with the adopted 2024 City Budget showing we have the necessary matching dollars accounted for. WDNR has acknowledged these items and has approved our agreement. Therefore, we need to move forward with a consultant agreement.

**B. Stormwater – Professional Service Agreement – discussion with possible action**

McMahon Associates assisted the City in preparing the grant application, tasks, and associated budget. Now that the planning grant has officially been approved, the next step is to enter into an agreement with a professional stormwater consultant. McMahon had completed the original stormwater master plan in 2012 and has been the City’s stormwater consultant since then. Therefore, we requested an official professional service agreement/proposal from them to complete the work that was spelled out in the grant application.

Jeff Dahlke made a motion of support to proceed with accepting the proposal for professional stormwater services from McMahon Associates for completing the tasks associated with the Urban Non-Point Grant. Motion seconded by Darla LeClair. Motion carried.

**C. Northeast Lakeshore TMDL- Nothing new to report.**

**D. Sandy Bay Highlands - Phases 3 & 4**

We are awaiting responses regarding the filling of a small wetlands within the proposed cul-de-sac. Hoping that those responses will be coming soon so that additional design work can be completed to get this project out for bid.

**10. SOLID WASTE UTILITY: UPDATES AND ACTION, AS NEEDED**

**A. North landfill update**

The revised work plan was submitted to the WDNR for review, comment, and approval in the middle of January so that work can begin to address the seep.

**11. ANY OTHER ITEMS OR ISSUES TO COME BEFORE THE COMMITTEE, WITH DISCUSSION AND ACTION**

**12. SET DATE, TIME, LOCATION, AND AGENDA ITEMS FOR NEXT COMMITTEE MEETING**

Proposed for Tuesday, March 5, 2024, at 5:00 pm

**13. ADJOURNMENT: 6:16 pm**

Tim Petri made a motion to adjourn the meeting, seconded by Jeff Dahlke. Motion carried.





**TWO RIVERS**  
WISCONSIN

# PUBLIC WORKS COMMITTEE

Wednesday, February 07, 2024 at 5:15 PM

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

## MINUTES

1. **CALL TO ORDER:** 5:15 pm

2. **ROLL CALL**

**Committee Members:** Tracey Koach, Bill LeClair, Scott Stechmesser

**Staff and Others:** Matthew Heckenlaible, Scott Ahl

3. **REVIEW AND APPROVAL OF MINUTES**

Minutes from the January 3, 2024, Public Works Committee Meeting

Bill LeClair made a motion to approve the January 3, 2024, Public Works Committee Meeting minutes, seconded by Tracey Koach. Motion carried.

4. **PUBLIC INPUT – N/A**

5. **ONGOING PROJECT STATUS AND ACTION, IF NEEDED**

A. **2023 Sidewalk contract – N/A**

B. **Sandy Bay Highlands Phases 3 & 4**

Awaiting responses regarding the filling of a small wetlands within the proposed cul-de-sac. Hoping that those responses will be coming soon so that additional design work can be completed to get this project out for bid.

C. **2024 Projects**

1. **Roosevelt Avenue reconstruction**

Public Works held a public informational meeting on January 11, 2024. Approximately 20 properties were represented and we have talked with a few others since then. Engineering met with Holy Family Memorial Clinic on February 2 to discuss the project and access/service to the clinic during construction. Overall, the project has been well received.

The project is out for bid and is scheduled to be opened on February 13, 2024. We will review the bids, make an award recommendation, and prepare final assessment documentation so that we can hold a Public Meeting at the March 4, 2024, City Council meeting. There is a lot of contractor interest in this project with 21 entities holding plan sets. We have also reached out to Frontier to try and eliminate the second set of overhead lines and power poles.

2. **Scattered laterals – informational**

DPW and Water Utility are still looking into ‘alternative funding sources’ through the WDNR called “Alternative Revenue Pledge.” We just received information from WDNR and are looking into the feasibility of being able to obtain funding in 2024. It would be using Bi-Partisan Infrastructure Loan (BIL) dollars supplied to the state. This potentially would require the City to create an “LSL Funding Utility” and make some additional ordinance revisions. It would allow the City to then loan out these dollars to property owners with repayment terms, etc. Borrowing and lending this money would not require PSC approval. We hope to have additional information as the week progresses.

- 3. Sidewalk Replacement  
We will be looking at doing sidewalk inspections in the northeast portion of the City north of 22<sup>nd</sup> Street.
- 4. 19th Street - East River Street to Jefferson Street (LRIP) – No update
- 5. East River Street - 19th Street to vacated 18th Street (LRIP) – No update

**6. PROPERTY OWNER REQUESTS**

- 1. Bill LeClair noted there is some poor sidewalk at Community House on 17<sup>th</sup> Street.

**7. DISCUSSIONS OR ISSUES ON HOLD, PENDING FURTHER INVESTIGATION – N/A**

**8. COMMITTEE AND COUNCIL MEMBER ITEMS FOR DISCUSSION, INCLUSION IN FUTURE AGENDA AND ACTION, IF NEEDED**

- A. Discussion for allowance of decal-style private signs to be applied to the surface of public sidewalks within the public right-of-way adjacent to business properties.

At the last Public Works Committee meeting, the committee took a position to not allow these decal signs to be placed upon sidewalks within public right-of-ways. This information was brought forward to the Plan Commission, who also agrees that these decal signs are not appropriate, but the Plan Commission was reminded that the City Council directive was to develop guidelines that would allow decals to be placed on a trial basis, not whether to allow or not allow.

It is my understanding that this topic will come back to the Plan Commission at their February 12<sup>th</sup> meeting after which it will come back to City Council for further discussion and action.

On hold until Plan Commission recommendation.

**9. DISCUSS STAFF RECOMMENDATIONS (PARKING AND TRAFFIC CONTROL) - ACTION, ENDORSEMENT OR MODIFICATIONS, AS NEEDED**

- A. Parking duration along north side of 17th Street between West Park Street and Adams Street (Senior Center)

At the last committee meeting there was an inquiry as to the reason there is “No Parking” at the west end of 17<sup>th</sup> Street between West Park and Adams Streets and whether it could be modified. There is a parking time restriction for loading and unloading in this area.

In discussions with Mike Mathis, Parks Director, he stated he would be open to reducing the loading zone to a couple of locations and reclassifying the remaining parking spots to be more consistent with the other spots in the area. He also noted that nobody pays attention to the parking restriction signs there anyway.

Staff will look at developing a recommendation at a future meeting.

- B. Removal of two-hour general parking time restriction on East Park Street

A request came in for Public Works to investigate the possibility of removing the two hour general parking time restriction on the southerly portion of East Park street. The request is coming because there does not appear to be ample City Hall parking spaces available and employees and guests are parking within that area and are afraid of receiving a citation.

The Two Rivers Police Department hosted a regional training and officers from other departments were concerned about this parking arrangement and opted to park in the former church parking lot without permission.

Staff will look into and develop recommendations. Possibly look at other parking lot opt

C. Speed limit signs on Woodland Drive between Memorial Drive and STH 310 update

A brief email exchange between Two Rivers and Manitowoc has occurred. Manitowoc does not have a specific speed study for this road, but suggested that they could see it being lowered down to 35 mph. According to my understanding, state statute would only allow us to lower the speed limit down to 45 mph with a speed study. It was left that further discussion between the two cities would occur and we would need to involve the two townships as well. No further action at this time. We will bring this issue back if/when discussion occurs.

D. Investigate crash history of 14th Street and Hawthorne Avenue - need for protective barrier

A request cam in to Public Works regarding the possible need of a protective barrier at the intersection of 14<sup>th</sup> Street and Hawthorne Avenue, specifically the southeast quadrant with eastbound traffic. The individual who inquired stated the property owner had reached out stating a concern for their private property with crashes that occur and then having to dispose of damaged car parts. After reaching out to the Two Rivers Police Department, they stated there were two reported incidents on record over the past five (5) years.

I personally take additional precautions when travelling through that intersection especially when there could be questionable road conditions (frost, snow, rain, heavy dew, wet leaves, etc.). I also take extra precautions when I ride my motorcycle through this area as well.

A protective barrier or beam guard is not intended to take on a direct blow but is meant to divert a vehicle coming at an angle. Properly installed beam guards also require tapers and energy dissipation ends so as not to make them blunt objects.

No further action required.

**10. OTHER ITEMS THAT MAY COME BEFORE THE COMMITTEE: CONSIDERATION AND ACTION, IF NEEDED**

A. Winter season update

The January large snow event went well for the amount of snow that we received. There were a few complaints about not plowing far enough or plowing too far, large piles and taking too long. It should be noted that two trucks broke down as well as a Toolcat sidewalk machine. Overall, the DPW crews did a great job. In hindsight, there are always things to can be improved upon and Travis Christensen, DPW Superintendent, is looking at ways to improve and become more efficient.

We could update our snow questions and answers on our website for the 2024/2025 season.

This season we are charging actual costs (around \$100) for first time unshoveled sidewalks. Second offense costs are actual cost plus \$150 citation. There were approximately 20 billings sent out a week ago.

B. Received a recent notification that WDOT may be requiring the City to complete a small bridge/culvert inventory this year. WDOT is classifying small as structures greater than six (6) feet and less than twenty (20) feet.

C. Tree grates

Public Works received a complaint about a raised tree grate (approximately 2 inches). We have not seen a formal complaint as of this date. Upon quick review, a lot of tree grates are raised or settled. Staff will investigate details, causes and potential remedies.

D. Public Works Shop

It has been brought to our attention that the shop has not had any recent maintenance performed. Several service doors are tight and not opening, bad weather stripping and other issues. Also note that the roof may need repair.

**11. SET DATE, TIME, AND AGENDA ITEMS FOR NEXT COMMITTEE MEETING**

Suggested as Wednesday, March 6, 2024 at 5:15 pm

**12. ADJOURNMENT: 6:21 pm**

Tracey Koach made a motion to adjourn the meeting, seconded by Bill LeClair. Motion carried.



**TWO RIVERS**  
WISCONSIN

# ADVISORY RECREATION BOARD MEETING

Wednesday, January 10, 2024 at 6:00 PM

Koska Room - Community House 1520 17th Street, Two Rivers, WI 54241

## MINUTES

### 1. ROLL CALL

Board Members: Daniel Cortte, Brian Gallagher, Travis Kadow, Erin Lamal, Robert Reed Jr., Jason Sharping, Dorothy Tinkham Delo, Adam Wachowski-Council Rep, Jeff Dahlke-Council Rep

#### PRESENT

Council Rep Adam Wachowski  
Dorothy Tinkham Delo

Brian Gallagher  
Robert Reed  
Council Rep Jeff Dahlke  
Jason Scharping

#### ABSENT

Erin Lamal  
Travis Kadow  
Daniel Cortte

### 2. APPROVAL OF MINUTES

Motion made by Robert Reed, Seconded by Jason Scharping.

### 3. CORRESPONDENCE - None

### 4. COMMENTS FOR THE PUBLIC (Limited to 3 minutes each) - None

### 5. NEW BUSINESS

- A. Community House Access and Security
- B. Urban Forestry Management Plan

#### A. Community House Access and Security

Two teenagers have been charged with Arson recently prompting us to reviewing ideas/make changes to increase Security and review Access to Community House.

Changes: TRPD are doing nightly walk throughs, we will be adding "You are on camera signs", close problem restrooms in the evening.

Ideas: Volunteer to monitor people in the building, limit elevator use, implement protocol for Fire Ex: notify the Police/Fire Dept, need all clear before people can go back into the building.

**B. Urban Forestry Management Plan**

Tree inventory was completed for the whole city, it is DNR compliant. Trees are rated from 100% = healthy tree to 0% = dead tree.

It is recommended that 15% and lower rated trees be removed. That includes lots of Ash trees. This will require help from TR Power & Light that can top off trees that are marked for removal as they are doing their usual pruning, some large dangerous trees will need to be removed by professionals, and Parks Dept will be working on removal & getting additional training to handle the rest.

Neshotah & Zander Parks as well as cemetery and library need attention.

**6. OLD BUSINESS**

A. Parks and Open Space Planning

- 1. Survey Results
- 2. Plan Contents
- 3. Guest Speaker Updates

A. Parks and Open Space Planning

1. Survey Results

Results - of people that responded - 31 were non-residents, mostly were age 35-44, over 50% of respondents did not have kids in the household, North end of TR can't walk to a park, most people can bike to a park, 26% wanted a pool, 93% feel safe at our parks, most important things are nice restrooms and clean parks.

Ideas - add basketball courts and add picnic shelter to the cemetery.

2. Plan Contents

History, research, planning, SWOT analysis, survey & community feedback, vision & mission, goals & objectives.

3. Guest Speaker Updates

- WI Dept Economic Development of Outdoor Recreation
- Blue Zones - higher life expectancy in these areas - invite ARB & Friends of Senior Center

**7. OTHER BUSINESS - None**

**8. DIRECTOR'S REPORTS**

- A. Ice Rink and Skate Rental Operation
- B. Staff Updates
- C. Program Updates

A. Ice Rink and Skate Rental Operation

\$1770 in sales or 354 rentals so far (doesn't include 180 rental from Cool City Christmas), January rentals have been slow to start the month.

B. Staff Updates

Laura Hooper is the new Office Manager since Tammy Stadler has now Retired. Recreation Clerk position is now posted and accepting applications until 1/15/24, will be adding additional part time office assistant in future.

C. Program Updates

- Cool City Christmas was a success!
- Ask Kenny about possible Volleyball program in future.
- TR Teen Night - Jan 19 - Ice Skating Olympics
- Heart A Rama flyer has all of our Concerts in the Park & Bands on the Beach that are scheduled for this summer.

**9. ITEMS FOR FUTURE ADVISORY RECREATION BOARD MEETINGS**

**10. NEXT MEETING**

February 14, 2024 at 6pm

**11. ADJOURNMENT**

Motion made by Brian Gallagher, Seconded by Jason Scharping.



**MINUTES**

**1. CALL TO ORDER**

Greg Buckley called the meeting to order at 5:30 PM.

**2. ROLL CALL**

Present: Greg Buckley, Rick Inman, Kay Koach, Kristin Lee, Matt Heckenlaible, Eric Pangburn, and Adam Wachowski.

Also Present: Community Development Director Elizabeth Runge, Council Member Bonnie Shimulunas, Brian Dellemann, Alex Peterson, Jarrod Pitts, Scott McPherson, and Kyla Donato from Tenaska, Inc., and Recording Secretary Adam Talor.

**3. ACTION ITEMS**

**A. Review of Extraterritorial Certified Survey Map completed by Steven Zeitler, Licensed Surveyor, Parcel 018-134-007-001.00, address 2130 Cottage Lane.**

Motion to approve the Extraterritorial Certified Survey Map.  
Motion made by Wachowski, seconded by Lee.

Roll Call Vote:

Voting Yea: Buckley, Inman, Koach, Lee, Heckenlaible, Pangburn, Wachowski.

Motion Carried

**B. Review of Conditional Use Permit (CUP) application for a Battery Energy Storage System (BESS) on Woodland Drive, Parcel 053-233-404-010.01, submitted by Hawk Energy Storage LLC and Tenaska, Inc.**

Tenaska began by presenting the benefits of battery storage and explained why this should be implemented. Included below are the key points of the discussion and presentation.

With an increasing electric demand, energy storage ensures power is available when needed. There are about 20,000 battery storage facilities currently operating in the United States. The preliminary site plan shows battery storage equipment, a surrounding fence, a retention pond, and 2 access points onto Woodland Drive. The battery storage will be connected by a gen-tie line outside the City limits via an easement acquired by Tenaska over private land.

The discussion of safety, operation and maintenance, and decommissioning occurred. Each of these are addressed in the conditions of the CUP. The conditions as presented were discussed and modified.

Note: Kristin Lee departs at 7:00 pm.

A motion was made recommending the CUP and Exhibit A with Plan Commission modifications to the City Council. The CUP documents are attached.



Motion made by Koach, seconded by Wachowski.

Roll Call Vote:

Voting Yea: Buckley, Inman, Koach, Heckenlaible, Pangburn, Wachowski.

Motion Carried

**C. Review and possible action regarding request to modify the sign ordinance to permit signs placed directly onto sidewalks.**

The Chair noted that the Plan Commission has previously recommended against adopting such an amendment, but the City Council subsequently indicated a preference for allowing such signs at least on a trial basis, and referred the matter back to the Planning Commission to recommend parameters.

Plan Commission discusses the recommendation to Council for a trial basis with guidelines. The Public Works Director reported that the Public Works Committee discussed and voted to not modify the sign ordinance due to safety concerns.

A motion was made to include recommendations for sidewalk signs if this is the choice moving forward with the City Council.

- Such signs shall be subject to the same permitting requirements as signs projecting into the right of way.
- One sidewalk decal sticker sign per business (establishment), except that properties on corner lots would be permitted to install one sign per street.
- Sidewalk decal sticker signs shall be limited to B-1 and B-2 Zoning District locations where there are public sidewalks.
- The sidewalk decal sticker sign is to be advertising the business and it is placed directly in front of the property where the business is located on the public sidewalk.
- Decal sticker sign cannot exceed 24 inch by 24 inch (square) or 24 inch diameter, etc. (largest dimension being 24 inches)
- Can be placed March 16 through November 30 annually (Prohibited December 1 to March 15 following the snow parking ban time period). An alternate time period could be placed May 1 through October 31, annually (frost, slipperiness concern).
- Sign placement:
  - Would be allowed within any primary walking path (Primary motion)
  - Cannot be placed within the center of the primary walking path (3-foot width) {Alternate placement language}
  - Shall be centered within a single sidewalk panel
  - Cannot be placed within the primary walking path of ADA ramps (48 inches) including intersecting sidewalks.
  - Cannot be placed within 48 inches of two intersecting sidewalks as measured from the closest intersecting point adjacent to the rights-of-way.
  - Cannot be placed within a stamped, colored concrete terrace area.
  - Cannot be placed on electric pull boxes / hand holes.
  - Cannot be placed on tree grates.

- Cannot be placed on manhole covers.
- Cannot be placed adjacent to tree grates, light poles, or other objects projecting out into the public sidewalk.
- Spaced a minimum of 48 inches apart along the length of the sidewalk.
- Additional alternate proposal: Can only be placed on the ROW of sidewalk squares closest to the private property.

Motion made by Wachowski, seconded by Inman.

Roll Call Vote:

Voting Yea: Buckley, Inman, Heckenlaible, Pangburn, Wachowski.

Voting Nay: Koach

Motion Carried

#### **4. ADJOURNMENT**

Motion to adjourn at 8:30 PM.

Motion made by Heckenlaible, seconded by Wachowski.

Respectfully submitted, Adam Taylor, Recording Secretary

CONDITIONAL USE PERMIT  
City of Two Rivers

Red = Text changed day of Plan Commission 2/12/24 for the Plan Commission review

Document Number

Permit No. 3-1-2024

Green = Changes suggested by Plan Commission

Before the City Council of the City of Two Rivers, Manitowoc County, Wisconsin, regarding the premises at 15<sup>TH</sup> Street and Washington Street in the City of Two Rivers, Manitowoc County, State of Wisconsin, further described as:

NE-SE & SE-SE S33 T20N R24E TRACT 7 OF CSM V 15 P 151

Inspections Department  
City of Two Rivers  
PO Box 87  
Two Rivers, WI 54241-0087

Parcel ID Number: 053-233-404-010.01

Zoning Classification of the Premises is: Industrial District (I-2)/Conditional Use: Battery Energy Storage System  
Mailing Address of the Premises Operator: 412 W. 15<sup>th</sup> Street, New York, NY 10011.  
Land Owner: City of Two Rivers, Business Industrial Development Corporation, 1717 E Park Street, Two Rivers WI 54241

WHEREAS, the Zoning Code and Zoning District Map of the above named municipality, pursuant to State Statute, state that the premises may not be used for the purpose hereinafter described but that upon petition such use may be approved by the municipality as a Conditional Use in particular circumstances as defined by the standards in the Zoning Ordinance; and

Petition therefore having been made, and public hearing held thereon, and the City Council of the City of Two Rivers having determined that by reason of the nature, character and circumstances of the proposed use, and of the specific and contemporary conditions, permit of such use upon the terms and conditions hereinafter prescribed would be consistent with the requirements of the Zoning Ordinance.

Now, therefore, it is permitted, subject to compliance with the terms and conditions hereinafter stated, that the Premises may be used for the purpose of a Battery Energy Storage System.

Permitted by action of the City Council of the City of Two Rivers on March 4, 2024.  
Original filed in the office of the City Clerk of the City of Two Rivers, Wisconsin

The Conditions of this Permit are:

1. This Permit shall become effective upon the execution and recording by the Owner of the Premises as acceptance hereof.
2. This Permit shall be void unless proper application, pursuant to the Building and Zoning Codes of this Municipality, for appropriate Building and Zoning Use Permits in conformity to this Permit, is made within ~~twelve (12) months~~ **twenty-four (24) months** of the date hereof.
3. This Permit is subject to amendment and termination in accordance with the provisions of the Zoning Code of this Municipality.
4. Construction and operation of the use permitted shall be in strict conformity to the approved Site, Architectural, Lighting and Landscaping Plans in connection with the Petition for this Permit and such plans are incorporated herein by reference as if set forth in detail herein.
5. Any substantial change or expansion of the facilities permitted by the initial issuance of this Permit would require approval by the Plan Commission and City Council as an amendment to this Permit.
6. **This permit is specifically issued to Hawk Battery Energy Storage, LLC. This permit may be transferred under the same conditions to successors and assigns upon authorization by the Two Rivers City Council, based on any new owner demonstrating to the City's satisfaction its ability to comply with all provisions of the Permit. In considering authorization for such transfers, the City's considerations may include, by way of example but not limitation, the experience of the transferee in the operation of battery storage systems and the ability of the transferee to provide proper surety related to decommissioning. Such authorization by the City Council shall not be unreasonably withheld. This permit shall lapse if the**

operation of a battery energy storage system on the Premises ceases for a period of more than twelve (12) months.

Permit is specifically issued to Hawk Battery Storage LLC and shall lapse upon a change in ownership or tenancy of the subject premises; or if the land uses ceases operation for more than 12 months.

7. Conditions/Conditions of Operations:

A. Hours of Operation: **Twenty-four hours a day and seven days a week. Batteries will be charging and discharging based on market and other external conditions.** Batteries would discharge in the day and recharge at night. The HVAC system will be operational 24 hours to keep the BESS within temperature limits. No other equipment will be operational.

B. All other Conditions in the attached Exhibit A.

**SIGNATURES OF PROPERTY OWNER(S) AND PERMITEE(S):**

**As Owner(s) of the Subject Property, I/we accept and understand the above-described conditions.**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

STATE OF WISCONSIN  
MANITOWOC COUNTY

Personally came before me this \_\_\_\_\_ day of \_\_\_\_\_, 2024, the above named \_\_\_\_\_ and to be the person(s) who executed the foregoing instrument and acknowledge the same.

\_\_\_\_\_  
Amanda Baryenbruch  
Notary Public, Manitowoc County, Wisconsin  
My commission expires: \_\_\_\_\_

**SIGNATURES - CITY OF TWO RIVERS**

\_\_\_\_\_  
Greg Buckley, City Manager

\_\_\_\_\_  
Amanda Baryenbruch, City Clerk

STATE OF WISCONSIN  
MANITOWOC COUNTY

Personally, came before me this \_\_\_\_\_ day of \_\_\_\_\_ 2024, the above-named Greg Buckley and Amanda Baryenbruch known to be the person(s) who executed the foregoing instrument and acknowledge the same.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, Manitowoc County, Wisconsin  
My commission expires: \_\_\_\_\_

THIS INSTRUMENT WAS DRAFTED BY:  
Elizabeth Runge, Community Development Director

Permit No. 3-1- 2024

**UPDATED**

**Red= Text changed day of Plan Commission Meeting (2/12/24) for the Plan Commission to review**  
**Green = Changes suggested by Plan Commission**

**EXHIBIT A**

Safety

1. A Hazard Mitigation Analysis (HMA) will be completed and shared with the fire department, police department - all local emergency responders – prior to the issuance of a building permit.
2. An Emergency Response Plan (ERP) is to be prepared prior to the issuance of a building permit.
3. Local first responders are to be trained and equipped **to the extent current equipment is insufficient** to respond appropriately to the selected battery technology for the Hawk BESS project, at the Developer’s **commercially reasonable** expense, prior to the commencement of operation. Refresher training to local first responders shall be required, at the Developer’s expense, at **reasonable** intervals, **at least annually or** as requested by the City of Two Rivers Fire Chief, throughout the life of the project.
4. The ERP is to be reviewed annually with local emergency responders throughout the project’s lifespan and modified for best safety practices if necessary.
5. The facility is to be designed, **constructed, operated, maintained and decommissioned** ~~and constructed~~ to meet NFPA 855 standards.
6. Designed to meet Wisconsin and/or national electrical standards.
7. Confirmation that there will be remote monitoring of the BESS 24 hours, 7 days a week.

Noise

8. A noise study is to be conducted pre and post construction to verify the BESS is in compliance with the City’s noise ordinance.
9. It will be the City’s practice to verify the noise level on this project as it does with all projects within the City.

Operation and Maintenance

10. The project shall be constructed, operated and maintained in compliance with **good utility practice** ~~the highest standards of electrical and safety design~~. The City will have a third party-reviewer to assist with the review of BESS design (see item 16).
11. Routine maintenance shall be performed on the BESS equipment to ensure proper performance of the technology. The City and local emergency responders are to be contacted if there are concerns that meet any ERP standards in the battery performance.

Permit No. 3-1- 2024

Decommissioning

12. The Developer is responsible for the removal of the Project at the end of its useful life. The site is to be restored to its pre-construction condition to the **maximum** extent possible, **within 12 months of ceasing operations.**

13. A decommissioning plan must **be developed, submitted,** and approved by the City prior to the issuance of the building permit.

In summary the decommissioning plan is to identify:

- Steps for restoring the site of the project to pre-construction condition **to the maximum extent possible;**
- Estimated cost for restoration **less the project's estimated salvage value.**

14. The decommissioning plan is to be reviewed every 5 years for the purposes of updating the costs for decommissioning and, if applicable, updating the financial agreement identified in #15. Such updates shall be subject to approval by the City.

15. An assurance in the form of a bond, letter of credit, or other form, to be established in an agreement between the City and Developer to cover the cost of decommissioning as defined in the decommissioning plan and any updates. **The cost of the project's estimated salvage value will be identified in the decommissioning plan.**

Third Party Reviewer

16. The City will be seeking the services of a third-party reviewer with expertise in the BESS technology field to assist with the following services (if the CUP is approved by the City Council):

- a. Review of the site and architectural plan, battery technology compliance with **NFPA NREFP 855** and with other applicable regulatory standards and codes not specifically identified in this memo;
- b. Assist with review of the ERP, completed noise study, decommissioning plan and review of decommission financial security agreement.
- c. Other items the City deems necessary related to BESS technology and project-related questions.
- d. Project inspection for compliance with applicable codes and standards.
- e. Review of decommissioning plan updates.**

Developer shall be responsible for reimbursing the City for its **reasonable** costs incurred for the services of said Third Party Reviewer, up to **a maximum dollar amount that must be mutually agreed upon by the City and Applicant prior to the City's commencement of plan review for the building permit. The City shall make best effort that the Third Party review does not unreasonably delay the project's permitting or construction process.**

Permit No. 3-1- 2024

Site and Architectural Plans

17. Site and Architectural Plan Approval by the Plan Commission is required per Section 11-1-11 of the Municipal Code, prior to issuance of a building permit. The requirements include the Final Site Plan, a Landscaping Plan, Storm water Management Plan, Lighting Plan and all other items listed in Section 11 - 1-11.

18. Site and Architectural Plan approval by the City’s Business and Industrial Development Committee and Community Development Authority is required per the “Declaration of Restrictions and Protective Covenants” applicable to the Woodland Industrial Park, as dated December 21, 1989 and recorded with the Manitowoc County Register of Deeds at Volume 891, pages 402 to 412. Such approval, as well as any required variances from the provisions of said Restrictions and Protective Covenants must be obtained prior to issuance of a building permit.

19. Developer shall at all times be in compliance with the terms of the Real Estate Purchase Option Agreement Between the City of Two Rivers and Swift Energy Storage, LLC, dated July 20, 2021, **including all amendments.**

20. Following initial completion of the project and the project being put into operation, Developer shall notify the City, in writing, of any **battery enclosures** ~~batteries~~ being removed or installed at the project. Such notification shall be at least 30 days in advance of the removal or installation, except in cases of emergency, when Developer shall notify the City as soon as practicable. **No batteries shall be stored on the premises outside of battery enclosures, with the exception of batteries stored for future use. Any batteries on the premises stored for future use shall be stored to NFPA 855 standards.**



**TWO RIVERS**  
WISCONSIN

# ENVIRONMENTAL ADVISORY BOARD MEETING

Tuesday, January 16, 2024 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

Meeting called to order by Tracey Koach, acting Chair

**2. ROLL CALL**

**Board Members:** Tracey Koach, Donald DeBruyn, Jake Glaser, Jay Orvis, Douglas Brandt, Shannon Derby, Corinne Weis; Darla LeClair participated via phone

**Staff and Others:** Matthew Heckenlaible, Scott Ahl

**3. REVIEW AND APPROVAL OF MINUTES**

Minutes from the November 21, 2023, Environmental Advisory Board Meeting

Doug Brandt made a motion to approve the November 21, 2023, Environmental Advisory Board meeting minutes, seconded by Shannon Derby. Motion carried.

**4. PUBLIC INPUT** - None

**5. NEW ITEMS FOR DISCUSSION AND ACTION** - None

**6. ONGOING**

**A. EAB Mission Statement description change update**

Matthew Heckenlaible noted that he needs to finalize the changes and place it on a City Council agenda for discussion and adoption.

**B. Front yard vegetable garden update**

Darla LeClair provided an update:

- Stated the ordinance revision had been adopted by City Council.
- That we need to get the word out about the program and promote it. Darla expressed a desire for additional assistance in getting posters out to area businesses. Corinne Weis stated that she would be willing to help.
- That she has been in contact with the school district and there may be a student interested in creating a new sign.
- Darla stated that she was going to tape a Public Service Announcement that could be played numerous times rather than a single event as a guest at a talk show.
- The Two Rivers Fire Department may have a desire to do a garden and then take advantage of the produce grown at the station.



**C. Partnership between the Two Rivers Parks & Recreation Department and EAB for v test plots – update**

Darla LeClair stated that they were looking at doing several test plots south of the parking lot at Paddler's Park. Matthew Heckenlaible noted that land was owned by a private party, not the City. A discussion then took place as to what land area would be available at Paddler's Park. Darla was going to have follow up discussions with Mike Mathis, Parks & Recreation Director.

**D. Sandy Bay Highlands update**

Matthew Heckenlaible stated that the preliminary plat for the subdivision had been approved by City Council in December 2023.

On January 2, 2024, the WDNR responded to the application stating that it was 'incomplete' because they feel that there are alternatives in dealing with the wetlands within the Orchard Court roadway/right-of-way; and, as such, will not proceed with the application/permitting process until they are satisfied.

WDNR stated that even though the development was designed and authorized to fill some of the wetlands in the past and since it has not been filled, the WDNR believes that the wetlands can be avoided through a redesign. At this time, they will not proceed with any further permit application review and the project is on hold until this matter can be resolved or an alternative is presented and accepted by the WDNR.

Our consultant has had conversations with the Army Corp of Engineers who verbally stated that they will not be taking jurisdiction over these wetlands which provides a path that will allow the City to impact some of the wetlands in question. The consultant informed us to remain patient and let the process follow the regulatory path.

**E. Street terrace policy update**

Last November, Don DeBruyn and Jay Orvis were going to look at different, preferred vegetation.

Staff is torn about a less restrictive ordinance due to enforcing compliance challenges. Staff noted several areas with bushes and other obstructions in the terrace which is difficult to enforce. On the other hand, it would add diversity to terraces. We could possibly consider a limited area of 3' x 3' area around fixed objects.

Don DeBruyn stated we should consider bee lawn type vegetation which should not get over 6 inches in height, at which time it should be mowed to 4 inches.

Corinne Weis stated bee lawn would help with protecting bee species and we should look at performing test plots.

Staff noted the current ordinance allows bee lawns vegetation in front yards as long as they are maintained to less than 8 inches. Only terrace areas are restricted as turf grass. There was a consensus to keep the ordinance as is until results of the test plots are known.

Test plot details to be coordinated with Parks & Rec to determine species and who will plant. A citizen noted the unique micro culture may determine species/varieties which may be different in this area verses other nearby areas.

Currently PD reacts when complaints are received or violations are noted.

Remove street terrace updates from future meetings pending results of various test plots.

**F. 2023-2024 Winter Educational Series**

- **2023**
  - October 5th – “Benefits of Renewable Resources” – Brian Dellemann, Electric Director for Two Rivers Electric Utility and Brady Steigauf from Focus on Energy
  - November 2nd – “Creating Fun and Resilient Parks” – Mike Mathis, Two Rivers Parks & Recreation Director
- **2024**
  - January 4th – “Invasive species – flora and fauna” – Jim Knickelbine, Director of Woodland Dunes
  - February 1st – “Local Ecosystems” – Nancy Gill
  - March 7th – “Storm water and storm water management for the City of Two Rivers” – Matthew Heckenlaible, Public Works Director & Scott Ahl, Assistant City Engineer
  - April 4th – “Climate Change” – Mike Peters, WPPI
  - May 7th - "Recycling" – Jon Reisenbuechler, Manitowoc County Operations Manager

Need to start thinking of topics for the third season of the educational series. Suggested ideas could be about sustainable development, composting, vertical plantings, and possibly a repeat of the benefits of trees.

**G. Northeast Lakeshore TMDL (Update, no action)**

On Tuesday, December 5, 2023, Matthew Heckenlaible was notified by WDNR that the Northeast Lakeshore TMDL had been approved by EPA and is now in full effect. What does that mean to the City of Two Rivers? We need to determine what our present stormwater suspended solid and phosphorous loadings are as compared to the TMDL report and then show what our existing best management practices (ponds, street sweeping and inlet cleaning) are removing to determine how much more reduction we have to achieve and where we can achieve the biggest bang for our dollar. That is all achieved through the modeling that is proposed to be completed utilizing the Urban Non-Point Planning Grant funds noted previously.

A question was brought up regarding the City compliance timeframe to comply with the new TMDL requirements. Ideally, WDNR and EPA would like compliance within one permit cycle. In most cases, that is not practical, therefore, the permittee will need to develop a proposed compliance schedule and be able to show annual progress in meeting these requirements.

Matthew Heckenlaible will continue to update the Advisory Board.

- 7. OTHER ITEMS THAT MAY COME BEFORE THE BOARD, WITH CONSIDERATION AND ACTION, IF NEEDED** - None
- 8. SET DATE, TIME, AND AGENDA ITEMS FOR NEXT BOARD MEETING**  
Proposed for Tuesday, February 20, 2024, at 5:30 pm
- 9. ADJOURNMENT:** 6:21 pm

Jay Orvis made a motion to adjourn the meeting, seconded by Shannon Derby. Motion carried.



**TWO RIVERS**  
WISCONSIN

# POLICE AND FIRE COMMISSION MEETING

Wednesday, January 24, 2024 at 4:30 PM

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

## MINUTES

**1. CALL TO ORDER**

**2. ROLL CALL**

Commission Members: Mike Canty, Kris LaFond, Sandy Rohrick, Jack Gadzala, Brad Yaggie

**3. PERSONNEL UPDATES**

**4. K-9 UPDATE**

**5. CLOSED SESSION**

The Police and Fire Commission reserves the right to enter into closed session per Wis. Stats. 19.85(1)(c) considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.

- A. Discuss Patrol Recruitment/Eligibility List
- B. Discuss Promotional Eligibility List
- C. Discuss K-9 Program

**6. RECONVENE IN OPEN SESSION PURSUANT TO WIS. STATS. 19.85(2)**

**7. ANY ACTION AS A RESULT OF CLOSED SESSION**

**8. ADJOURNMENT**

*In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Two Rivers will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the City Clerk's office at 920-793-5526 or email [clerk@two-rivers.org](mailto:clerk@two-rivers.org) at least 48 hours prior to the scheduled meeting or event to request an accommodation. For additional assistance, individuals with hearing or speech disabilities can call 711 and be connected to a telephone relay system.*

*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.*



**MEMO**

**DATE:** February 14, 2024  
**TO:** City Council and City Manager Greg Buckley  
**FROM:** Amanda Baryenbruch, City Clerk/Human Resources Director  
**SUBJECT:** Monthly Updates

**HUMAN RESOURCES UPDATES:**

- Ongoing Recruitments:
  - o Electric Meter Tech – Applications due February 19, 2024
- Recent Hires:
  - o Apprentice Line Worker – Tyler Duessing (Promotion)
  - o Electrician / Electrical Inspector – Steven Gretz (Promotion)
  - o Recreation Clerk – Taylor Pokorski

**OPERATOR’S LICENSES ISSUED:**

On May 4, 2020, the City Council authorized the City Clerk to issue Operator’s Licenses. The following licenses have been issued since the 9/18/2023 Council meeting:

Name	Address	Duration
Jacob Gallas	2520 34th Street Two Rivers, WI 54241	2 Year
Peter Crabbe	806 25th Street Two Rivers, WI 54241	2 Year
Kathrin Serrano	604 A 21st Street Two Rivers, WI 54241	1 Year

**ELECTIONS:**

The ballot placement drawing for the office of City Councilmember for the April 2, 2024 Spring Election took place on January 9, 2024 at 9 AM. Below is the order of the candidates on the ballot.

- o Doug Brandt
- o Andrew Quackenbush
- o Shannon Derby
- o Jeff Dahlke
- o Mark Bittner

Individuals may request absentee ballots for the 2024 calendar year by visiting [myvote.wi.gov](http://myvote.wi.gov) or mailing the application to the City Clerk.

Wards 7 & 8 will have a primary election for the County Supervisory District 25 race on February 20, 2024. Only voters within these wards will be able to vote on February 20, 2024.





**From:** Elizabeth Runge, Community Development Director

**Date:** February 18, 2024

**Re:** Staff Report

**Key Activities:**

- Worked with staff and applicant for a public information meeting, and Conditional Use Permit application.
- Prepared Plan Commission Packets for February meeting.
- Submitted Idle Site Request Reimbursement Request Number 1/Final to WEDC. Submitted Audit Report to WEDC for Community Development Investment Grant to WEDC.
- Meeting with WEDC to discuss funding availability for projects in the City.
- Met with a business owner to discuss possible investment and potential city involvement.
- Organized loan application materials to be reviewed by BIDC/CDA shortly.
- Responded to requests for information related to development, zoning and funding questions.



# Fire Department Monthly Report December 2023

Section 10, Item C.

			Monthly		YTD 2023		YTD 2022		
<b>Total Incident Responses</b>				<b>165</b>		<b>1948</b>	<b>1746</b>		
<b>EMS Response</b>	<b>Total EMS Incidents</b>			155		<b>1793</b>	<b>1768</b>		
	Treated and Transported			110		1270	1354		
	No Transport			5		324	393		
	Interfacility Transports			32		410	417		
	Intercepts			4		36	31		
	Public Assist			2		54	2		
<b>EMS Revenue</b>	<b>Date of Service Report</b>		<b>Monthly</b>		<b>Year to Date 2023</b>		<b>YTD 2022</b>		
<b>EMS Operations Billing Information</b>	SDC and TRIP Revenue		\$4,267.86		\$31,649.43	\$58,113.14			
	Charges		\$170,388.40		\$2,142,862.07	\$2,012,721.12			
	Payments		\$46,114.00		\$807,307.00	\$806,112.22			
	Adjustments		\$106,597.59		\$1,274,545.11	\$1,221,532.12			
	Change + or - in Accounts Receivable		\$63,790.81		\$159,214.11	\$14,986.30			
Monthly Collection Percentage			<b>27.06%</b>		<b>37.67%</b>	<b>40.05%</b>			
<b>Fire Incidents</b>	<b>Total Fire Incidents</b>			<b>10</b>		<b>155</b>	<b>139</b>		
	Structural			0		8	10		
	Fire Other/Extrication			1		14	18		
	Burning/Smoke Complaint			2		33	16		
	Hazardous Condition			1		41	45		
	False / Cancelled			1		30	32		
	Service Calls			5		35	32		
<b>Overlapping calls</b>				<b>29</b>		<b>336</b>	<b>306</b>		
<b>Occup/ Inspect</b>	<b>Total Inspections</b>			<b>39</b>		<b>468</b>	<b>454</b>		
	General			39		468	454		
	Special/Other/Consults			0		1	0		
	Violations			25		203	153		
	Corrections			15		580	95		
<b>Training</b>	<b>Total Hours</b>			<b>494</b>		<b>5784</b>	<b>5664</b>		
	Fire Training			314		3943	3604		
	EMS Training			180		1520	1400		
	Community Based Outreach			15		625	660		
See attached training summary									
<b>Public Education</b>			<b>Monthly</b>		<b>YTD 2023</b>		<b>YTD 2022</b>		
<b>Totals / Events</b>	<b>Staff Hours</b>	<b>Participants</b>					<b>69</b>	<b>188.5</b>	<b>1017</b>
AHA Classes	Staff Hours	Participants					48	94.5	148
Station Tours	Staff Hours	Participants					3	14	38
Presentations	Staff Hours	Participants					18	80	831
<b>Maintenance</b>			<b>Monthly</b>		<b>YTD 2023</b>		<b>YTD 2022</b>		
<b>Total Hours</b>			<b>204</b>		<b>4158</b>	<b>2438.1</b>			
Building Care, Cleaning, Maintenance			80		1059	854.35			
Grounds Care			24		167	67.5			
Vehicle Checks			60		1386	1313.75			
Vehicle Cleaning			24		141	76			
Vehicle Maintenance			16		145	126.5			
<b>Current Events December 2023</b>									
TRFD 2024 Budget Passed									
End of Year Training Reports/Wrap Up									
Fire Safety Week operations and presentations									
2024 operational Planning									
Review 2023 Goals									
Review 2024 Vision/Expectations									
Teresa Haupt 6 year anniversary December 4th									

**INSPECTIONS DEPARTMENT**

**MONTHLY SUMMARY  
JANUARY 2024**

	Permits Issued		Permit Revenue		Project Value		Type	Inspections	
	Month	YTD	Month	YTD	Month	YTD		Month	YTD
Building (residential)		7		950		85,335	Bldg	-	10
Building (commercial)		-		-		-	Elec	-	4
Electrical		10		865		34,120	Heating	-	17
Heating		20		1,602		428,765	Plumbing	-	3
Home Occupation		-		-		-	Misc	-	11
Moving		-		-		-	Sign	-	-
Plumbing		16		3,379		1,093,792			
Sign		-		-		-			
Tank		-		-		-			
Wrecking		-		-		-			
<b>Totals</b>	-	53	-	6,796	-	1,642,012		-	45

YTD Comparison	Permits Issued		Permit Revenue		Project Value	
	2024	2023	2024	2023	2024	2023
Building	7	9	950	2,890	85,335	293,139
Electrical	10	14	865	1,380	34,120	64,291
Heating	20	25	1,602	1,690	428,765	163,029
Home Occupation	-	-	-	-	-	-
Moving	-	-	-	-	-	-
Plumbing	16	12	3,379	1,560	1,093,792	65,526
Sign	-	1	-	50	-	4,000
Tank	-	-	-	-	-	-
Wrecking	-	-	-	-	-	-
<b>Totals</b>	53	61	6,796	7,570	1,642,012	589,985

Other Activities

- Prepared & distributed annual reports
- Prepared agenda packet and minutes for Plan Commission meeting
- Received and responded to requests for information from the general public and staff
- Prepared notices, ordinances & related documents for public hearings



**Lester Public Library  
Director's Report  
January 2024**

**News**

- The library closed early on Friday, noon, January 12, due to blizzard conditions.
- The library remained closed on Saturday, January 13, to allow city crews to dig out after a major snow event on Friday.
- Terry Ehle, Youth Coordinator and Tami Feuerstein, Early Literacy Specialist attended the state-wide summer reading workshop in Menasha, Friday, January 19. Terry led team discussions on escape room programming and innovative play spaces, such as our dramatic play area.
- Our 2023 programming attendance for youth programs was close to a 50% increase over 2022. 2022 was a very good year with around 8900 attendees compared to over 15,800 attendees in 2023. This coincides with a change in programming philosophy that targets getting youth and their families into the library for the dramatic play center, along with continuing our popular to-go pack offerings.
- Chris Hamburg, Adult Services Coordinator, continues to serve on the Wisconsin Public Library Consortia as a selector for the state-wide Overdrive service. As a committee member, Chris is involved as a voice for public libraries, not just Lester Public Library, in state-wide policy and standards for the service
- Marie Bonde, Customer Service Coordinator, has added three patrons to our home delivery service, for a total of 12 patrons served. Marie coordinates book selection along with deliveries with a dedicated volunteer for our homebound patrons. Marie also coordinates student volunteers to assist with book straightening and shelf cleaning.

**Library Foundation**

- The Lester Public Library Foundation 2024 allocation to the library will be \$54,088.00. This will be the 21<sup>st</sup> consecutive year that the Foundation's contribution has increased over the prior year. The increase is \$3,378.00, 6.7%, over the 2023 allocation.

**Library Legislation** – No Report

**Activities**

- 01/02/24 – Lester Public Library Management Team Meeting
- 01/03/24 – Met with Stanley Palmer, President, Lester Public Library Board of Trustees
- 01/03/24 – Two Rivers City Council Meeting
- 01/04/24 – Two Rivers Business Association Monthly Meeting
- 01/04/24 – Introduced Environmental Advisory Board Presentation, 'Invasive Species:

the Fight to Save Land and Water'

- 01/09/24 – Lester Public Library Management Team Meeting
- 01/09/24 – Lester Public Library Board of Trustees Meeting
- 01/10/24 – Lester Public Library All Staff Meeting
- 01/10/24 – City of Two Rivers Department Heads Meeting
- 01/10/24 – Educational Horizons Foundation Board Meeting
- 01/15/24 – Two Rivers City Council Meeting
- 01/16/24 – Lester Public Library Management Team Meeting
- 01/16/24 – World on the Move Library Staff Meeting
- 01/16/24 – Lester Public Library Foundation Board Meeting
- 01/17/24 – City of Two Rivers Safety Committee Meeting
- 01/19/24 – Met with Joe Metzen, City of Two Rivers Tourism Director
- 01/24/24 – Met with World on the Move developers and administrators with Chris Hamburg
- 01/29/24 – Met with Brenda Koprowski, Lester Bentley Committee member
- 01/30/24 – Lester Public Library Management Team Meeting
- 01/30/24 – World on the Move Library Staff Meeting
- 01/31/24 – City of Two Rivers Department Heads Meeting
- 01/31/24 – Manitowoc Calumet Library System Board Virtual Meeting

Jeff Dawson, Director, Lester Public Library 2/1/2024

JANUARY  
2024



# PUBLIC WORKS MONTHLY REPORT



**TWO  
RIVERS**  
WISCONSIN

# ENGINEERING

## ROOSEVELT AVENUE



Public Works held a public informational meeting on January 11, 2024. Approximately 20 properties were represented and we have talked with a few others since then. Engineering met with Holy Family Memorial Clinic on February 2 to discuss the project and access/service to the clinic during construction. Overall, the project has been well received.

The project is out for bid and is scheduled to be opened on February 13, 2024. We will review the bids, make an award recommendation, and prepare final assessment documentation so that we can hold a Public Meeting at the March 4, 2024, City Council meeting. There is a lot of contractor interest in this project with 21 entities holding plan sets. We have also reached out to Frontier to try and eliminate the second set of overhead lines and power poles.



## Landfill

Consultant provided us with a preliminary copy of plans and specifications for City review. These were completed and sent back to the consultant for updates.

# Engineering Cont'd

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## 2024 Scattered Lead Service Lateral Replacements

DPW and Water Utility are still looking into 'alternative funding sources' through the WDNR called "Alternative Revenue Pledge." We just received information from WDNR and are looking into the feasibility of being able to obtain funding in 2024. It would be using Bi-Partisan Infrastructure Loan (BIL) dollars supplied to the state. This potentially would require the City to create an "LSL Funding Utility" and make some additional ordinance revisions. It would allow the City to then loan out these dollars to property owners with repayment terms, etc. Borrowing and lending this money would not require PSC approval. Additional information forthcoming.

## Sandy Bay Highlands

Awaiting responses regarding the filling of a small wetlands within the proposed cul-de-sac. Hoping that those responses will be coming soon so that additional design work can be completed to get this project out for bid.

## 2024 Sidewalk Replacement

We will be looking at doing sidewalk inspections in the northeast portion of the City north of 22nd Street.



# PUBLIC WORKS

## Snow Update

The January large snow event went well for the amount of snow that we received. It should be noted that two trucks broke down as well as a Toolcat sidewalk machine. Overall, the DPW crews did a great job.



## Street Repairs

Public Works made four street repairs this month for a sewer lateral replacement, water service repair, sewer main repair and water main break.

# WASTEWATER

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## Screw Press

All electrical components are now on site. The project electricians have run a lot of the necessary conduits and wiring as well as installing the control panel, two motor controllers and cabinets. Once installed, the cut over from the existing electrical to the new service can begin. Startup hopefully by the end of February with some time to work out any unforeseen bugs.

## Riverside Foods

Staff met with Riverside Foods in late January where they provided a plan but are missing some details. They are proposing to install a 6,000 gallon grease interceptor to try and settle out and capture the fat, oil and grease that are making its way to the wastewater plant. An official plan submittal was made late afternoon February 6, 2024. Staff has noted that Riverside Foods has ramped up production over the last three months and increased waste is notable down at the treatment plant. The next scheduled meeting is March 12.

2024 Public Works/WWTP Tracking		2024		2024	
		January	Year-to-Date	January	Year-to-Date
<b>ENGINEERING 2024</b>					
	Landfill Leachate Pumpage (gallons)	473,432	473,432	742,838	6,737,866
scott	Precipitation	2.51	2.51	1.48	28.33
sue	Number of Encumbrance property checks	19	19	19	260
scott/bill	Digger's Hotline Locates	31	31	18	1030
<b>STREET DIVISION 2024 (Manhours)</b>					
		January	Year-to-Date	January	Year-to-Date
53200	Shop/Vehicle Maintenance	871.00	871	532.00	7,950
53300	Street Maintenance	16.00	16	30.00	709
53310	Street Cleaning	5.00	5	23.00	674
53320	Street Signs/Painting	23.00	23	105.50	1,241
53330	Snow & Ice	1282.00	1,282	624.50	2,759
53337	PT Snowplowers				71
53380	Bridge - maintenance	21.50	22		
53381	17th Street Bridge opening			28.00	289
53620	Refuse/Garbage				1
53625	Recycling/Leaf Collection	19.00	19	9.00	1202
53640	Weed Cutting				197
53650	Work for Others	47.00	47	300.50	3,852
53700	Landfill Maintenance				126
53710	Landfill Sampling				13
*****	PBS Sewers	3	3	4	35
*****	Salted Streets	2	2	9	22
*****	Plowed all city streets	8	8	1	6
*****	Open 17th Street Bridge	42	42	42	415
<b>WASTEWATER UTILITY 2024</b>					
		January	Year-to-Date	January	Year-to-Date
	Wastewater Treated, Gallons	58,172,000	58,172,000	59,651,000	775,163,000
	MONTHLY AVERAGE: Daily Flow, Gallons	1,877,000	1,877,000	1,924,000	2,122,417
	MONTHLY AVERAGE: Daily BOD, Lbs.	4,190	4,190	4,175	4,104
<b>Plant Discharges (MONTHLY AVERAGE)</b>					
	Biological Oxygen Demand (BOD), mg/l	10.8	10.80	7.7	11.38
	Suspended Solids, mg/l	9.5	9.50	7.4	7.20
	Ammonia, mg/l	0.33	0.33	0.11	0.81
	Phosphorus, mg/l	0.32	0.32	0.41	0.36
	Fecal Coliform, per 100ml	22	22	10	57
	pH, Min (6.0)	6.8	6.8	6.6	6.8
	pH, Max (9.0)	7.1	7.1	6.8	7.1
<b>Chemicals</b>					
	Polymer, Gallons	88	88	88	1056
	Ferric Chloride, Gallons	2,596	2,596	2,367	28,770
P&Fonly	Chemical Purchases for the month	-	\$ -	-	\$ 55,089.47
	Mishicot Payment to City	\$ 6,665.80	\$ 6,665.80	\$ 6,673.30	\$ 83,658.12
	Emergency call-ins	2	2	2	20





**Two Rivers  
January 2024**

Prepared By: Patrick Murphy – MEUW Regional Safety Coordinator

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## SAFETY REPORT

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### **ACCOMPLISHMENTS**

**1. Training**

- HazCom (all employees)

**2. Audits/Inspections**

No Inspections in January

**3. Compliance/Risk Management**

Continuing 2024 annual safety program reviews with SC input

Mutual Aid guidance document (in progress)

### **GOALS AND OBJECTIVES**

**1. Training**

- HazCom (completed)
- Tabletop Exercise Development ongoing.

**2. Audits/Inspections**

- DPW inspection to occur in February

**3. Compliance/Risk Management**

- Promote EOC familiarization, meetings/citywide tabletop (future)
- Continue to promote good investigation and root cause analysis for all incidents.
- Promote incident and near miss reporting
- Stop the Bleed kits to be added to city vehicles with a need (ongoing)
- Start planning for city wide FA/CPR/AED re-certification in April 2024

Jan-24 CITY OF TWO RIVERS  
 ULTRAFILTRATION FACILITY MONTHLY OPERATING REPORT

**ULTRAFILTRATION MEMBRANE FACILITY PRODUCTION**

TOTAL PRODUCTION	<u>30,257,110</u> GAL/MONTH
LESS BACKWASH WATER	<u>3,198,550</u> GAL/MONTH
WATER TO CITY	<u>27,058,560</u> GAL/MONTH
MAX. DAILY WATER PRODUCTION	<u>1,220,660</u> GAL/DAY
MIN. DAILY WATER PRODUCTION	<u>877,230</u> GAL/DAY
AVERAGE DAILY WATER PRODUCTION	<u>976,040</u> GAL/DAY

TOTAL PRODUCTION	<u>30257110</u> GAL/MONTH
WATER TO CITY	<u>27058560</u> GAL/MONTH

**PUMP OPERATION**

**LOWLIFT PUMPS**

1	2	3	
240	240	264	HR/MO
7.74	7.74	8.52	HR/DAY

**HIGHLIFT PUMPS**

1	2	3	4	
0	0	738	6	HR/MO
0.00	0.00	23.81	0.19	HR/DAY

**USED FOR PRODUCTION ONLY**

**CHEMICAL USAGE**

PRE MEMBRANE HYPOCHLORITE  
 POST SODIUM HYPOCHLORITE  
 RESERVOIR HYPOCHLORITE  
 50% SODIUM HYDROXIDE  
 ORTHOPHOSPHATE  
 FLUORIDE  
 50% CITRIC ACID

POUNDS USED	PMG	PPM
2346.5	0.09	0.00
2720.5	0.09	0.00
9.1	0.00	0.00
909.0	0.00	0.00
1537.3	0.00	
651.9	0.02	0.00
0 gals	---	---

**RESERVOIR OPERATIONS**

HOURS OF OPERATION  
 PUMP HOURS PER MONTH

HR/MONTH			
PUMP 7	PUMP 8	PUMP 9	TOTAL
0	0	0	0

TOTAL GALLONS PUMPED PER MONTH  
 MAXIMUM GALLONS PER DAY  
 MINIMUM GALLONS PER DAY  
 AVERAGE GALLONS PER DAY

<u>7,064,000</u>	GAL/MONTH
<u>396,000</u>	GAL/DAY
<u>210,000</u>	GAL/DAY
<u>227,871</u>	GAL/DAY

REPORT PREPARED BY

*Garret Wachowski*

DATE

2/5/2024

*AS*

# Application for Temporary Class "B" / "Class B" Retailer's License

Section 10, Item D.

See Additional Information on reverse side. Contact the municipal clerk if you have questions.

FEE \$ 10.00

Application Date: 2/6/2024

Town  Village  City of Two Rivers

County of Monitowoc

The named organization applies for: (check appropriate box(es).)

- A Temporary Class "B" license to sell fermented malt beverages at picnics or similar gatherings under s. 125.26(6), Wis. Stats.
- A Temporary "Class B" license to sell wine at picnics or similar gatherings under s. 125.51(10), Wis. Stats.

at the premises described below during a special event beginning July 13 1pm and ending July 13 10pm and agrees to comply with all laws, resolutions, ordinances and regulations (state, federal or local) affecting the sale of fermented malt beverages and/or wine if the license is granted.

1. Organization (check appropriate box) →
- Bona fide Club
  - Church
  - Lodge/Society
  - Veteran's Organization
  - Fair Association or Agricultural Society
  - Chamber of Commerce or similar Civic or Trade Organization organized under ch. 181, Wis. Stats.

(a) Name Two Rivers Main Street  
(b) Address 1608 Washington Street PO Box 417 Two Rivers, WI 54241  
(Street)  Town  Village  City

(c) Date organized 1996  
(d) If corporation, give date of incorporation 1996  
(e) If the named organization is not required to hold a Wisconsin seller's permit pursuant to s. 77.54 (7m), Wis. Stats., check this box:

(f) Names and addresses of all officers:  
President Steve Kauter 816 Monistee Ct Monitowoc, WI 54220  
Vice President Carl Andrews 1718 W. Park St. Two Rivers, WI 54241  
Secretary Ryan Kauth 10631 Constans Lake Rd Monitowoc, WI 54220  
Treasurer Ryan Kauth

(g) Name and address of manager or person in charge of affair: Jason King  
1608 Washington Street

## 2. Location of Premises Where Beer and/or Wine Will Be Sold, Served, Consumed, or Stored, and Areas Where Alcohol Beverage Records Will be Stored:

(a) Street number 1700 Washington Street, Two Rivers, WI  
(b) Lot \_\_\_\_\_ Block \_\_\_\_\_  
(c) Do premises occupy all or part of building? Tent in Park  
(d) If part of building, describe fully all premises covered under this application, which floor or floors, or room or rooms, license is to cover: tent in the park

## 3. Name of Event

(a) List name of the event Bryan Lee Memorial Blues Festival  
(b) Dates of event July 13

### DECLARATION

An officer of the organization, declares under penalties of law that the information provided in this application is true and correct to the best of his/her knowledge and belief. Any person who knowingly provides materially false information in an application for a license may be required to forfeit not more than \$1,000.

Officer Jason King 2/6/2024 Two Rivers Main Street  
(Signature / Date) (Name of Organization)

Date Filed with Clerk 2-7-24 Date Reported to Council or Board 2-19-24

Date Granted by Council \_\_\_\_\_ License No. \_\_\_\_\_

### Application for Temporary Class "B" / "Class B" Retailer's License

See Additional Information on reverse side. Contact the municipal clerk if you have questions.

FEE \$ 10.00

Application Date: 2/16/2024

Town  Village  City of Two Rivers

County of Monitowoc

The named organization applies for: (check appropriate box(es).)

A Temporary Class "B" license to sell fermented malt beverages at picnics or similar gatherings under s. 125.26(6), Wis. Stats. 29 4pm - 10pm

A Temporary "Class B" license to sell wine at picnics or similar gatherings under s. 125.51(10), Wis. Stats. 30 9am - 2pm

at the premises described below during a special event beginning June 29 and ending June 30 and agrees to comply with all laws, resolutions, ordinances and regulations (state, federal or local) affecting the sale of fermented malt beverages and/or wine if the license is granted.

1. Organization (check appropriate box) →
- Bona fide Club
  - Church
  - Lodge/Society
  - Veteran's Organization
  - Fair Association or Agricultural Society
  - Chamber of Commerce or similar Civic or Trade Organization organized under ch. 181, Wis. Stats.

(a) Name Two Rivers Main Street  
 (b) Address 1608 Washington Street, PO Box 417, Two Rivers, WI 54241  
(Street)  Town  Village  City

(c) Date organized 1996  
 (d) If corporation, give date of incorporation 1996

(e) If the named organization is not required to hold a Wisconsin seller's permit pursuant to s. 77.54 (7m), Wis. Stats., check this box:

(f) Names and addresses of all officers:  
 President Steve Koster 816 Manistee Ct Monitowoc, WI 54220  
 Vice President Carl Andrews 1718 W. Park Street, Two Rivers, WI 54241  
 Secretary Ryan Keith 10631 Constant Lake Rd, Monitowoc, WI 54220  
 Treasurer Ryan Keith

(g) Name and address of manager or person in charge of affair: Jason Ring  
1608 Washington Street

### 2. Location of Premises Where Beer and/or Wine Will Be Sold, Served, Consumed, or Stored, and Areas Where Alcohol Beverage Records Will be Stored:

(a) Street number 1700 Washington Street, Two Rivers, WI  
 (b) Lot \_\_\_\_\_ Block \_\_\_\_\_

(c) Do premises occupy all or part of building? Tent in the Park  
 (d) If part of building, describe fully all premises covered under this application, which floor or floors, or room or rooms, license is to cover: Tent in the Park

### 3. Name of Event

(a) List name of the event Cool City Classic Car Show & Cruise  
 (b) Dates of event June 29 - 30

### DECLARATION

An officer of the organization, declares under penalties of law that the information provided in this application is true and correct to the best of his/her knowledge and belief. Any person who knowingly provides materially false information in an application for a license may be required to forfeit not more than \$1,000.

Officer Jason Ring 2/16/2024  
(Signature / Date)

Two Rivers Main Street  
(Name of Organization)

Date Filed with Clerk 2-7-24

Date Reported to Council or Board 2-19-24

Date Granted by Council \_\_\_\_\_

License No. \_\_\_\_\_

# Application for Temporary Class "B" / "Class B" Retailer's License

Section 10, Item D.

See Additional Information on reverse side. Contact the municipal clerk if you have questions.

FEE \$ 10.00

Application Date: 2/6/2024

Town  Village  City of Two Rivers

County of Manitowoc

The named organization applies for: (check appropriate box(es).)

- A Temporary Class "B" license to sell fermented malt beverages at picnics or similar gatherings under s. 125.26(6), Wis. Stats. 8am-5pm  
 A Temporary "Class B" license to sell wine at picnics or similar gatherings under s. 125.51(10), Wis. Stats.

at the premises described below during a special event beginning Sept 21 and ending Sept 21 and agrees to comply with all laws, resolutions, ordinances and regulations (state, federal or local) affecting the sale of fermented malt beverages and/or wine if the license is granted.

1. Organization (check appropriate box) →  Bona fide Club  Church  Lodge/Society  
 Veteran's Organization  Fair Association or Agricultural Society  
 Chamber of Commerce or similar Civic or Trade Organization organized under ch. 181, Wis. Stats.

(a) Name Two Rivers Main Street  
(b) Address 1608 Washington Street, PO Box 417, Two Rivers, WI 54241  
(Street)  Town  Village  City

(c) Date organized 1996

(d) If corporation, give date of incorporation 1996

(e) If the named organization is not required to hold a Wisconsin seller's permit pursuant to s. 77.54 (7m), Wis. Stats., check this box:

(f) Names and addresses of all officers:

President Steven Kauter 816 Manistee Ct Manitowoc, WI 54220

Vice President Cost Andrews 1718 W. Park Street, Two Rivers, WI 54241

Secretary Ryan Kauter 10631 Coasters Lake Rd Manitowoc, WI 54220

Treasurer Ryan Kauter

(g) Name and address of manager or person in charge of affair: Jason Ring  
1608 Washington Street

## 2. Location of Premises Where Beer and/or Wine Will Be Sold, Served, Consumed, or Stored, and Areas Where Alcohol Beverage Records Will be Stored:

(a) Street number 1700 Washington Street

(b) Lot \_\_\_\_\_ Block \_\_\_\_\_

(c) Do premises occupy all or part of building? tent in Park

(d) If part of building, describe fully all premises covered under this application, which floor or floors, or room or rooms, license is to cover: tent in the Park

## 3. Name of Event

(a) List name of the event Ethnic Fest

(b) Dates of event September 21

## DECLARATION

An officer of the organization, declares under penalties of law that the information provided in this application is true and correct to the best of his/her knowledge and belief. Any person who knowingly provides materially false information in an application for a license may be required to forfeit not more than \$1,000.

Officer Jason Ring 2/6/2024 Two Rivers Main Street  
(Signature / Date) (Name of Organization)

Date Filed with Clerk 2-7-24

Date Reported to Council or Board 2-19-24

Date Granted by Council \_\_\_\_\_

License No. \_\_\_\_\_

# Application for Temporary Class "B" / "Class B" Retailer's License

Section 10, Item D.

See Additional Information on reverse side. Contact the municipal clerk if you have questions.

FEE \$ 10.00

Application Date: 2/16/2024

Town  Village  City of Two Rivers

County of Monitowoc

The named organization applies for: (check appropriate box(es).)

- A Temporary Class "B" license to sell fermented malt beverages at picnics or similar gatherings under s. 125.26(6), Wis. Stats.  
 A Temporary "Class B" license to sell wine at picnics or similar gatherings under s. 125.51(10), Wis. Stats.

at the premises described below during a special event beginning March 8 and ending March 8 and agrees to comply with all laws, resolutions, ordinances and regulations (state, federal or local) affecting the sale of fermented malt beverages and/or wine if the license is granted.

1. Organization (check appropriate box) →  Bona fide Club  Church  Lodge/Society  
 Veteran's Organization  Fair Association or Agricultural Society  
 Chamber of Commerce or similar Civic or Trade Organization organized under ch. 181, Wis. Stats.

- (a) Name Two Rivers Main Street  
(b) Address 1608 Washington St. PO Box 417 Two Rivers, WI 54241  
(Street)  Town  Village  City  
(c) Date organized 1976  
(d) If corporation, give date of incorporation 1996  
(e) If the named organization is not required to hold a Wisconsin seller's permit pursuant to s. 77.54 (7m), Wis. Stats., check this box:   
(f) Names and addresses of all officers:  
President Steve Kontev 816 Manistee Ct. Monitowoc, WI 54240  
Vice President Carl Andrews 1718 West Park St. Two Rivers, WI 54241  
Secretary Ryan Knuth 10631 Forsters Lake Rd, Monitowoc, WI 54241  
Treasurer Ryan Knuth  
(g) Name and address of manager or person in charge of affair: Jason King  
1608 Washington Street

## 2. Location of Premises Where Beer and/or Wine Will Be Sold, Served, Consumed, or Stored, and Areas Where Alcohol Beverage Records Will be Stored:

- (a) Street number 1710 W. Park Street, Two Rivers, WI  
(b) Lot \_\_\_\_\_ Block \_\_\_\_\_  
(c) Do premises occupy all or part of building? Part, gymnasium  
(d) If part of building, describe fully all premises covered under this application, which floor or floors, or room or rooms, license is to cover: gymnasium

## 3. Name of Event

- (a) List name of the event Great Triola Contest  
(b) Dates of event March 8, 5pm - 10 pm

## DECLARATION

An officer of the organization, declares under penalties of law that the information provided in this application is true and correct to the best of his/her knowledge and belief. Any person who knowingly provides materially false information in an application for a license may be required to forfeit not more than \$1,000.

Officer Jason King 2/16/2024  
(Signature / Date)

Two Rivers Main Street  
(Name of Organization)

Date Filed with Clerk 2-7-24

Date Reported to Council or Board 2-19-24

Date Granted by Council \_\_\_\_\_

License No. \_\_\_\_\_

### Application for Temporary Class "B" / "Class B" Retailer's License

See Additional Information on reverse side. Contact the municipal clerk if you have questions.

FEE \$ 10

Application Date: 2/7/24

Town  Village  City of Two Rivers

County of Manitowoc

The named organization applies for: (check appropriate box(es).)

- A Temporary Class "B" license to sell fermented malt beverages at picnics or similar gatherings under s. 125.26(6), Wis. Stats.
- A Temporary "Class B" license to sell wine at picnics or similar gatherings under s. 125.51(10), Wis. Stats.

at the premises described below during a special event beginning April 7, 2024 and ending April 7, 2024 and agrees to comply with all laws, resolutions, ordinances and regulations (state, federal or local) affecting the sale of fermented malt beverages and/or wine if the license is granted.

- 1. Organization** (check appropriate box) →
- Bona fide Club
  - Church
  - Lodge/Society
  - Veteran's Organization
  - Fair Association or Agricultural Society
  - Chamber of Commerce or similar Civic or Trade Organization organized under ch. 181, Wis. Stats.

(a) Name Friends of Two Rivers Snow Fest

(b) Address 1603 Washington St Two Rivers, WI 54241  
(Street)  Town  Village  City

(c) Date organized 2018

(d) If corporation, give date of incorporation \_\_\_\_\_

(e) If the named organization is not required to hold a Wisconsin seller's permit pursuant to s. 77.54 (7m), Wis. Stats., check this box:

(f) Names and addresses of all officers:

President Ann Gretz 1215 School St. Two Rivers, WI 54241

Vice President \_\_\_\_\_

Secretary Norene Brytek 123 Eleanor St. Two Rivers, WI 54241

Treasurer Vicki Weinberger 2706 Clark St. Manitowoc, WI 54220 / JoAnne Kouba 2803 36th St. T.R.

(g) Name and address of manager or person in charge of affair:  
Ann Gretz 1215 School St. Two Rivers, WI 54241

**2. Location of Premises Where Beer and/or Wine Will Be Sold, Served, Consumed, or Stored, and Areas Where Alcohol Beverage Records Will be Stored:**

(a) Street number Hamilton Community House 1520 17th St Two Rivers, WI 54241

(b) Lot \_\_\_\_\_ Block \_\_\_\_\_

(c) Do premises occupy all or part of building? Part of building

(d) If part of building, describe fully all premises covered under this application, which floor or floors, or room or rooms, license is to cover: Community House Gym & Fireplace Lobby

**3. Name of Event**

(a) List name of the event SnowFest Corn Hole Tournament

(b) Dates of event April 7, 2024

**DECLARATION**

An officer of the organization, declares under penalties of law that the information provided in this application is true and correct to the best of his/her knowledge and belief. Any person who knowingly provides materially false information in an application for a license may be required to forfeit not more than \$1,000.

Officer [Signature] 2/7/24  
(Signature / Date)

Friends of Two Rivers Snow Fest  
(Name of Organization)

Date Filed with Clerk \_\_\_\_\_

Date Reported to Council or Board \_\_\_\_\_

Date Granted by Council \_\_\_\_\_

License No. \_\_\_\_\_

Council Manager Government Since 1924



Office of City Clerk  
1717 East Park Street  
Post Office Box 87  
Two Rivers WI 54241-0087  
Telephone . . . . . 920/793-5526  
FAX . . . . . 920/793-5512

NOTE:

THIS FORM TO BE COMPLETED AND ATTACHED TO ALL APPLICATIONS FOR SPECIAL CLASS B MALT LICENSES FOR PICNICS & GATHERINGS

\* \* \* \* \*

The applicant hereby agrees to indemnify and hold the City of Two Rivers harmless from and against any and all claims, actions, causes of action, damages, expenses, and liabilities which may be imposed upon, incurred by or asserted against the City of Two Rivers by reason of any injury or claim of injury or damage to any person or property which is associated with or arises out of the applicant's use of the City property and the dispensing of fermented malt beverage to any person pursuant to any license issued upon this application.

Friends of Two Rivers SnowFest  
Organization

Ann Grotz - President  
By

2/7/24  
Date



### Application for Temporary Class "B" / "Class B" Retailer's License

See Additional Information on reverse side. Contact the municipal clerk if you have questions.

FEE \$ 10

Application Date: 2/7/24

Town  Village  City of Two Rivers

County of Manitowish

The named organization applies for: (check appropriate box(es).)

- A Temporary Class "B" license to sell fermented malt beverages at picnics or similar gatherings under s. 125.26(6), Wis. Stats.
- A Temporary "Class B" license to sell wine at picnics or similar gatherings under s. 125.51(10), Wis. Stats.

at the premises described below during a special event beginning July 26, 2024 and ending July 28, 2024 and agrees to comply with all laws, resolutions, ordinances and regulations (state, federal or local) affecting the sale of fermented malt beverages and/or wine if the license is granted.

- 1. Organization** (check appropriate box) →
- Bona fide Club
  - Church
  - Lodge/Society
  - Veteran's Organization
  - Fair Association or Agricultural Society
  - Chamber of Commerce or similar Civic or Trade Organization organized under ch. 181, Wis. Stats.

(a) Name Friends of Two Rivers SnowFest

(b) Address 1603 Washington St Two Rivers, WI 54241  
(Street)  Town  Village  City

(c) Date organized 2018

(d) If corporation, give date of incorporation \_\_\_\_\_

(e) If the named organization is not required to hold a Wisconsin seller's permit pursuant to s. 77.54 (7m), Wis. Stats., check this box:

(f) Names and addresses of all officers:  
President Ann Gretz 1215 School St. Two Rivers, WI 54241

Vice President \_\_\_\_\_

Secretary Norene Bylski 128 Eleanor St. Two Rivers, WI 54241

Treasurer JoAnne Kouba 2803 36th St. Two Rivers, WI 54241 | Vicki Weinberger 2706 Clark St. Manitowish WI 54220

(g) Name and address of manager or person in charge of affair: Ann Gretz 1215 School St. Two Rivers, WI 54241

**2. Location of Premises Where Beer and/or Wine Will Be Sold, Served, Consumed, or Stored, and Areas Where Alcohol Beverage Records Will be Stored:**

(a) Street number 2111 Pierce St. (Neshkalah Park) Two Rivers, WI 54241

(b) Lot \_\_\_\_\_ Block \_\_\_\_\_

(c) Do premises occupy all or part of building? No

(d) If part of building, describe fully all premises covered under this application, which floor or floors, or room or rooms, license is to cover: 2111 Pierce St.

**3. Name of Event**

(a) List name of the event Two Rivers SnowFest 2024

(b) Dates of event July 26-28, 2024

**DECLARATION**

An officer of the organization, declares under penalties of law that the information provided in this application is true and correct to the best of his/her knowledge and belief. Any person who knowingly provides materially false information in an application for a license may be required to forfeit not more than \$1,000.

Officer [Signature] 2/7/2024  
(Signature / Date)

Friends of Two Rivers SnowFest  
(Name of Organization)

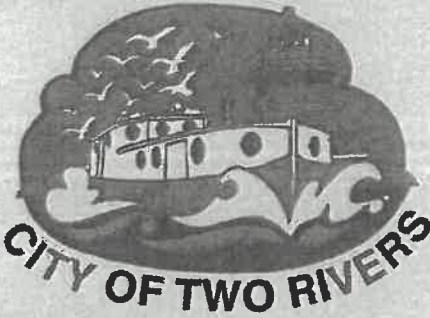
Date Filed with Clerk \_\_\_\_\_

Date Reported to Council or Board \_\_\_\_\_

Date Granted by Council \_\_\_\_\_

License No. \_\_\_\_\_

Council Manager Government Since 1924



Office of City Clerk  
1717 East Park Street  
Post Office Box 87  
Two Rivers WI 54241-0087  
Telephone . . . . . 920/793-5526  
FAX . . . . . 920/793-5512

NOTE:

THIS FORM TO BE COMPLETED AND ATTACHED TO ALL APPLICATIONS FOR SPECIAL CLASS B MALT LICENSES FOR PICNICS & GATHERINGS

\* \* \* \* \*

The applicant hereby agrees to indemnify and hold the City of Two Rivers harmless from and against any and all claims, actions, causes of action, damages, expenses, and liabilities which may be imposed upon, incurred by or asserted against the City of Two Rivers by reason of any injury or claim of injury or damage to any person or property which is associated with or arises out of the applicant's use of the City property and the dispensing of fermented malt beverage to any person pursuant to any license issued upon this application.

Friends of Two Rivers SnowFest  
Organization

Ann Grotz - President  
By

2/7/24  
Date



To the City Council  
 City of Two Rivers  
 Two Rivers, Wisconsin

We have audited the financial statements of the City of Two Rivers Tax Incremental District Number 6 (the District) as of and for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and have issued our report thereon dated January 22, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit in our statement of work for audit services dated January 11, 2024. 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 the District are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2022.

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

*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 did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***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.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated January 22, 2024.

***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.

***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.

***Other audit findings or issues***

We have provided a separate communication to you dated January 22, 2024, communicating compliance with requirements of tax incremental financing district laws and regulations.

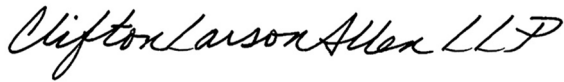
***Supplementary information in relation to the financial statements as a whole***

With respect to the schedule of financial transactions (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 financial reporting provisions of the Wisconsin Department of Revenue, 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 January 22, 2024.

\* \* \*

This communication is intended solely for the information and use of the City Council and management of the District, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024



## TWO RIVERS WISCONSIN

January 22, 2024

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 (the City) Tax Incremental District Number 6 (the District), as of December 31, 2022 and from the date of creation through December 31, 2022, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than generally accepted accounting principles 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 January 22, 2024, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 11, 2024, for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.
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. There are no significant assumptions used by us in making accounting estimates.
5. 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 accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. We have not identified or been notified of any uncorrected financial statement misstatements.
8. 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 the accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

**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.
  - e. All communications from the State of Wisconsin or underlying taxing jurisdictions concerning compliance with, or deficiencies in, compliance with Wisconsin Statutes related to tax increment districts.
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, 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, and we have not consulted a lawyer concerning litigation, claims, or assessments.
  8. There are no known related-party relationships or transactions which need to be accounted for or disclosed.
  9. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the District, 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.
  10. 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.
  11. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  12. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
  13. Project costs and uses of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  14. Project revenues and sources of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  15. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
  16. We acknowledge our responsibility for presenting the schedule of financial transactions (the supplementary information) in accordance with the requirements of the Wisconsin Department of Revenue, and we believe the supplementary information, including its form and content, is fairly presented in accordance with the requirements of the Wisconsin Department of Revenue. 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.

17. 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.

Signature:  Title: City Manager

Signature:  Title: FINANCE DIRECTOR

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF  
CREATION THROUGH DECEMBER 31, 2022**



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
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## INDEPENDENT AUDITORS' REPORT

City Council  
 City of Two Rivers, Wisconsin  
 Two Rivers, Wisconsin

### Report on the Audit of the Financial Statements

***Opinion***

We have audited the accompanying financial statements of the City of Two Rivers Tax Incremental District Number 6 (the District), which comprise the balance sheet as of December 31, 2022, and the related historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and the net project costs to be recovered through tax increments as of December 31, 2022, and the sources, uses, and status of funds for the year ended December 31, 2022 and from the date the District was created through December 31, 2022 on the basis of the financial reporting provisions of the Wisconsin Department of Revenue as described in Note 1.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Emphasis of Matters***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the Wisconsin Department of Revenue, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Wisconsin Department of Revenue. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not, present fairly the financial position of the City of Two Rivers, Wisconsin as of December 31, 2022, or the changes in its financial position from the date of creation through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Wisconsin Department of Revenue, as described in Note 1. Management is also responsible 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.

***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

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.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial transactions is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of financial transactions is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

In accordance with tax incremental district laws and regulations, we have also issued our report dated January 22, 2024 on our test of compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with tax incremental district laws and regulations in considering the District's compliance.

**Restriction on Use**

This report is intended solely for the information and use of City of Two Rivers, Wisconsin, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024

**FINANCIAL STATEMENTS**

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 6  
 BALANCE SHEET  
 DECEMBER 31, 2022**

**ASSETS**

Receivables:	
Taxes Receivable	<u><u>\$ 12,670</u></u>

**LIABILITIES, DEFERRED INFLOWS OF  
 RESOURCES, AND FUND BALANCE**

<b>LIABILITIES</b>	
Advances Payable	\$ 165,705

<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	<u>23,141</u>

<b>FUND BALANCE</b>	
Unassigned Deficit	<u>(176,176)</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 12,670</u></u>
--	-------------------------

See accompanying Notes to Financial Statements.

(5)

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Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 6  
 HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND  
 NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
 YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION  
 THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
<b>PROJECT COSTS</b>		
Capital Outlay	\$ -	\$ 229,972
Administration	150	107,168
Developer Incentive Payments	-	165,000
Interest and Fiscal Charges	6,003	84,467
Total Project Costs	6,153	586,607
<b>PROJECT REVENUES</b>		
Tax Increments	22,900	391,234
Intergovernmental	5	115
Miscellaneous	-	19,082
Total Project Revenues	22,905	410,431
<b>PROJECT COSTS IN EXCESS OF PROJECT REVENUES</b>	<b>\$ (16,752)</b>	<b>\$ 176,176</b>

The above net unreimbursed project costs of \$176,176 on December 31, 2022 represents a net liability for the District to the City of Two Rivers, Wisconsin, consisting of the following:

Net Liability and fund balance deficit of the District - December 31, 2022	<b>\$ 176,176</b>
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See accompanying Notes to Financial Statements.

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Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN**  
**TAX INCREMENTAL DISTRICT NUMBER 6**  
**HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS**  
**YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION**  
**THROUGH DECEMBER 31, 2022**

	<u>2022</u>	<u>From Date of Creation Through December 31, 2022</u>
<b>SOURCES OF FUNDS</b>		
Tax Increments	\$ 22,900	\$ 391,234
Intergovernmental	5	115
Miscellaneous	-	19,082
Total Sources of Funds	<u>22,905</u>	<u>410,431</u>
<b>USES OF FUNDS</b>		
Capital Outlay	-	229,972
Administration	150	107,168
Developer Incentive Payments	-	165,000
Interest and Fiscal Charges	6,003	84,467
Total Uses of Funds	<u>6,153</u>	<u>586,607</u>
<b>NET CHANGE IN FUND BALANCE</b>	16,752	(176,176)
Fund Balance (Deficit) - Beginning of Period	<u>(192,928)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ (176,176)</u>	<u>\$ (176,176)</u>

See accompanying Notes to Financial Statements.

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CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Two Rivers Tax Incremental District Number 6 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Wisconsin Statutes Section 66.1105 establishes reporting requirements for the District. The significant accounting principles and policies utilized by the City of Two Rivers in preparing the financial statements of the District are described below.

The District uses the criteria set forth by GASB to determine the scope of the reporting entity.

**A. Reporting Entity**

This report contains the financial statements of the City of Two Rivers Tax Incremental District Number 6. The accompanying financial statements do not include the full presentation of the financial statements of the City of Two Rivers, Wisconsin, and do not purport to represent the financial position or changes in financial position of the City of Two Rivers. The financial statements of the District were prepared from data recorded in the District’s capital project fund of the City and are presented in a format prescribed by the Wisconsin Department of Revenue.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until the maximum life of the District, whichever occurs first. The statutes in effect at the time of creation of the District provided for a maximum life of 27 years. Project costs uncollected at the dissolution date were absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the District. Listed below are the significant dates applicable to the District:

Creation Date	7/17/2000
Latest Date to Incur Project Expenditures	7/17/2022
Latest Termination Date	7/17/2027

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

The District's 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Project plan expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

District increments are recorded as revenues in the year due. Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

**C. Project Plan Budget**

The estimated revenues and expenditures of the District are adopted in the original project plan and any subsequent amendments. Those estimates are for the entire life of the District, and may not be comparable to interim results presented in this report.

**D. Use of Estimates**

The preparation of financial statements in conformity with accounting provisions of the Wisconsin Department of Revenue requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

**E. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**2. Property Taxes**

When the District was created, the value of all taxable property within the defined boundaries of the District was determined by the Wisconsin Department of Revenue. This value is known as the base value of the District, and remains unchanged through the life of the District unless the City amends District boundaries to add or remove properties. The Wisconsin Department of Revenue annually certifies the current value of all taxable property within the District.

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 two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement.

Property taxes collected on the base value are shared with the overlying taxing jurisdictions while property taxes collected on the growth in value, also known as the increment value, are retained by the City as tax increment revenue. The City uses the tax increment revenue to pay for approved project plan expenditures. A summary of taxable value within the District as of December 31, 2022 follows:

<u>Current Value</u>	<u>Base Value</u>	<u>Increment Value</u>
\$ 1,170,000	\$ -	\$ 1,170,000

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**F. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance (Continued)**

**3. Interfund Payables**

During the course of operations of the District, 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 financial statements.

**4. Fund Balance**

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

**Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

**Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

**Unassigned fund balance.** Only deficit amounts are shown in this category.

**NOTE 2 CASH AND INVESTMENTS**

The District invests in funds in accordance with the provisions of the Wisconsin Statutes 66.0603(lm) and 67.11(2).

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction at the measurement date. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the City, maintains common cash and investment accounts. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Two Rivers as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 INTERFUND ADVANCES**

During the life of the District, the City advanced monies from other funds to cover operating cash deficits in the District. The advances will be repaid by future tax increments earned by the District.

Interfund advances outstanding as of December 31, 2022 is detailed as follows:

<u>Year Ended December 31</u>	
Payable to:	
Tax Incremental District No. 7	\$ 162,662
General Fund	3,043
Total	<u>\$ 165,705</u>

There is no formal written repayment schedule, and also no stated interest rate. The balance is not expected to be repaid within one year. As of and for the year ended December 31, 2022, the District utilized an interest rate of 3%.

**SUPPLEMENTARY INFORMATION**



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD JULY 17, 2000 THROUGH DECEMBER 31, 2022**

	2000	2001	2002	2003	2004	2005
<b>REVENUES</b>						
Tax Increments	\$ -	\$ -	\$ 2,274	\$ 31,152	\$ 30,035	\$ 10,535
Intergovernmental	-	-	-	-	-	-
Proceeds from Long-term Debt	-	-	-	-	-	-
Miscellaneous	-	-	15,887	-	-	-
Total Revenues	-	-	18,161	31,152	30,035	10,535
<b>EXPENDITURES</b>						
Capital Outlay	-	68	-	-	-	-
Administration	210	1,437	574	-	-	-
Developer Incentive Payments	165,000	-	-	-	-	-
Principal on Long-Term Debt	-	-	-	-	-	-
Interest and Fiscal Charges	10,557	3,394	2,058	1,180	1,671	4,801
Total Expenditures	175,767	4,899	2,632	1,180	1,671	4,801
<b>NET CHANGE IN FUND BALANCE</b>	(175,767)	(4,899)	15,529	29,972	28,364	5,734
Fund Balance (Deficit) - Beginning of Period	-	(175,767)	(180,666)	(165,137)	(135,165)	(106,801)
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ (175,767)</u>	<u>\$ (180,666)</u>	<u>\$ (165,137)</u>	<u>\$ (135,165)</u>	<u>\$ (106,801)</u>	<u>\$ (101,067)</u>

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD JULY 17, 2000 THROUGH DECEMBER 31, 2022**

	2006	2007	2008	2009	2010	2011	2012
<b>REVENUES</b>							
Tax Increments	\$ 19,826	\$ 20,444	\$ 20,523	\$ 20,603	\$ 22,729	\$ 19,334	\$ 19,250
Intergovernmental	2	2	2	-	-	-	-
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>19,828</u>	<u>20,446</u>	<u>20,525</u>	<u>20,603</u>	<u>22,729</u>	<u>19,334</u>	<u>19,250</u>
<b>EXPENDITURES</b>							
Capital Outlay	-	-	-	-	-	2,388	11,147
Administration	-	-	-	-	901	8,640	43,277
Developer Incentive Payments	-	-	-	-	-	-	-
Principal on Long-Term Debt	-	-	-	-	-	-	-
Interest and Fiscal Charges	4,178	2,660	1,297	693	39	-	792
Total Expenditures	<u>4,178</u>	<u>2,660</u>	<u>1,297</u>	<u>693</u>	<u>940</u>	<u>11,028</u>	<u>55,216</u>
<b>NET CHANGE IN FUND BALANCE</b>	15,650	17,786	19,228	19,910	21,789	8,306	(35,966)
Fund Balance (Deficit) - Beginning of Period	<u>(101,067)</u>	<u>(85,417)</u>	<u>(67,631)</u>	<u>(48,403)</u>	<u>(28,493)</u>	<u>(6,704)</u>	<u>1,602</u>
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ (85,417)</u>	<u>\$ (67,631)</u>	<u>\$ (48,403)</u>	<u>\$ (28,493)</u>	<u>\$ (6,704)</u>	<u>\$ 1,602</u>	<u>\$ (34,364)</u>

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 6  
 SCHEDULE OF FINANCIAL TRANSACTIONS  
 FOR THE PERIOD JULY 17, 2000 THROUGH DECEMBER 31, 2022**

	2013	2014	2015	2016	2017	2018	2019
<b>REVENUES</b>							
Tax Increments	\$ 19,424	\$ 19,373	\$ 4,846	\$ 12,019	\$ 13,298	\$ 13,343	\$ 16,947
Intergovernmental	-	-	11	8	5	5	70
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Miscellaneous	-	3,195	-	-	-	-	-
Total Revenues	<u>19,424</u>	<u>22,568</u>	<u>4,857</u>	<u>12,027</u>	<u>13,303</u>	<u>13,348</u>	<u>17,017</u>
<b>EXPENDITURES</b>							
Capital Outlay	50,276	39,380	58,773	67,940	-	-	-
Administration	18,895	13,072	5,874	11,588	1,950	150	150
Developer Incentive Payments	-	-	-	-	-	-	-
Principal on Long-Term Debt	-	-	-	-	-	-	-
Interest and Fiscal Charges	1,657	3,469	4,408	7,525	7,411	7,236	6,947
Total Expenditures	<u>70,828</u>	<u>55,921</u>	<u>69,055</u>	<u>87,053</u>	<u>9,361</u>	<u>7,386</u>	<u>7,097</u>
<b>NET CHANGE IN FUND BALANCE</b>	(51,404)	(33,353)	(64,198)	(75,026)	3,942	5,962	9,920
Fund Balance (Deficit) - Beginning of Period	(34,364)	(85,768)	(119,121)	(183,319)	(258,345)	(254,403)	(248,441)
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ (85,768)</u>	<u>\$ (119,121)</u>	<u>\$ (183,319)</u>	<u>\$ (258,345)</u>	<u>\$ (254,403)</u>	<u>\$ (248,441)</u>	<u>\$ (238,521)</u>

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 6  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD JULY 17, 2000 THROUGH DECEMBER 31, 2022**

	2020	2021	2022	Total	Project Plan	Amendment	Project Plan
<b>REVENUES</b>							
Tax Increments	\$ 30,232	\$ 22,147	\$ 22,900	\$ 391,234	\$ 424,060	\$ 38,272	\$ 462,332
Intergovernmental	5	-	5	115	-	-	-
Proceeds from Long-term Debt	-	-	-	-	185,000	-	185,000
Miscellaneous	-	-	-	19,082	20,279	-	20,279
Total Revenues	30,237	22,147	22,905	410,431	629,339	38,272	667,611
<b>EXPENDITURES</b>							
Capital Outlay	-	-	-	229,972	-	350,000	350,000
Administration	150	150	150	107,168	14,000	50,000	64,000
Developer Incentive Payments	-	-	-	165,000	165,000	-	165,000
Principal on Long-Term Debt	-	-	-	-	185,000	-	185,000
Interest and Fiscal Charges	-	6,491	6,003	84,467	123,900	33,718	157,618
Total Expenditures	150	6,641	6,153	586,607	487,900	433,718	921,618
<b>NET CHANGE IN FUND BALANCE</b>	30,087	15,506	16,752	(176,176)	\$ 141,439	\$ (395,446)	\$ (254,007)
Fund Balance (Deficit) - Beginning of Period	(238,521)	(208,434)	(192,928)	-			
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	\$ (208,434)	\$ (192,928)	\$ (176,176)	\$ (176,176)			

Section 10, Item E.

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



CliftonLarsonAllen LLP  
 CLAAconnect.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
 REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT  
 LAWS AND REGULATIONS**

City Council  
 City of Two Rivers  
 Two Rivers, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Two Rivers, Wisconsin's Tax Incremental District Number 6 (the District), which comprise the balance sheet as of December 31, 2022, and the related historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of Wisconsin State Statutes Section 66.1105 and the project plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the City Council, management, overlapping taxing districts, and the Wisconsin Department of Revenue, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
 January 22, 2024



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To the City Council  
 City of Two Rivers  
 Two Rivers, Wisconsin

We have audited the financial statements of the City of Two Rivers Tax Incremental District Number 8 (the District) as of and for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and have issued our report thereon dated January 22, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit in our statement of work for audit services dated January 11, 2024. 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 the District are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2022.

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

*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 did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***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.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated January 22, 2024.

***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.

***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.

***Other audit findings or issues***

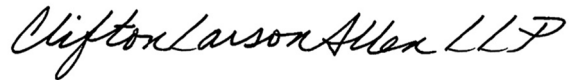
We have provided a separate communication to you dated January 22, 2024, communicating compliance with requirements of tax incremental financing district laws and regulations.

**Supplementary information in relation to the financial statements as a whole**

With respect to the schedule of financial transactions (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 financial reporting provisions of the Wisconsin Department of Revenue, 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 January 22, 2024.

\* \* \*

This communication is intended solely for the information and use of the City Council and management of the District, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024



## TWO RIVERS WISCONSIN

January 22, 2024

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 (the City) Tax Incremental District Number 8 (the District), as of December 31, 2022 and from the date of creation through December 31, 2022, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than generally accepted accounting principles 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 January 22, 2024, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 11, 2024, for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.
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. There are no significant assumptions used by us in making accounting estimates.
5. 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 accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. We have not identified or been notified of any uncorrected financial statement misstatements.
8. 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 the accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

**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.
  - e. All communications from the State of Wisconsin or underlying taxing jurisdictions concerning compliance with, or deficiencies in, compliance with Wisconsin Statutes related to tax increment districts.
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, 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, and we have not consulted a lawyer concerning litigation, claims, or assessments.
  8. There are no known related-party relationships or transactions which need to be accounted for or disclosed.
  9. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the District, 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.
  10. 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.
  11. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  12. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
  13. Project costs and uses of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  14. Project revenues and sources of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  15. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
  16. We acknowledge our responsibility for presenting the schedule of financial transactions (the supplementary information) in accordance with the requirements of the Wisconsin Department of Revenue, and we believe the supplementary information, including its form and content, is fairly presented in accordance with the requirements of the Wisconsin Department of Revenue. 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.

17. 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.

Signature:  Title: City Manager

Signature:  Title: FINANCE DIRECTOR

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF  
CREATION THROUGH DECEMBER 31, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
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## INDEPENDENT AUDITORS' REPORT

City Council  
City of Two Rivers, Wisconsin  
Two Rivers, Wisconsin

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the City of Two Rivers Tax Incremental District Number 8 (the District), which comprise the balance sheet as of December 31, 2022, and the related historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and the net project costs to be recovered through tax increments as of December 31, 2022, and the sources, uses, and status of funds for the year ended December 31, 2022 and from the date the District was created through December 31, 2022 on the basis of the financial reporting provisions of the Wisconsin Department of Revenue as described in Note 1.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matters*

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the Wisconsin Department of Revenue, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Wisconsin Department of Revenue. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not, present fairly the financial position of the City of Two Rivers, Wisconsin as of December 31, 2022, or the changes in its financial position from the date of creation through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Wisconsin Department of Revenue, as described in Note 1. Management is also responsible 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.

***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

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.

**Supplementary Information**

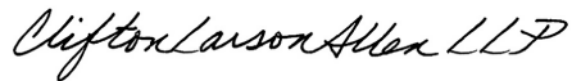
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial transactions is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of financial transactions is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

In accordance with tax incremental district laws and regulations, we have also issued our report dated January 22, 2024 on our test of compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with tax incremental district laws and regulations in considering the District's compliance.

**Restriction on Use**

This report is intended solely for the information and use of City of Two Rivers, Wisconsin, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024

**FINANCIAL STATEMENTS**

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 8  
 BALANCE SHEET  
 DECEMBER 31, 2022**

**ASSETS**

Cash and Investments	\$	63,832
Receivables:		
Taxes Receivable		227,159
Total Assets	\$	290,991

**DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE**

<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied for Subsequent Year		227,159
<b>FUND BALANCE</b>		
Restricted		63,832
Total Deferred Inflows of Resources and Fund Balance	\$	290,991

See accompanying Notes to Financial Statements.

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Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 8  
 HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND  
 NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
 YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION  
 THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
<b>PROJECT COSTS</b>		
Capital Outlay	\$ 39,570	\$ 1,766,365
Administration	150	22,366
Developer Incentive Payments	-	160,000
Transfer to Other Funds	70,026	70,026
Interest and Fiscal Charges	7,314	954,855
Debt Issuance Costs	-	15,350
Total Project Costs	117,060	2,988,962
<b>PROJECT REVENUES</b>		
Tax Increments	189,866	2,621,226
Intergovernmental	-	260,000
Developer Contribution	-	12,000
Miscellaneous	4,500	20,922
Total Project Revenues	194,366	2,914,148
<b>PROJECT COSTS IN EXCESS OF PROJECT REVENUES</b>	<b>\$ (77,306)</b>	<b>\$ 74,814</b>

The above net unreimbursed project costs of \$74,814 on December 31, 2022 represents a net liability for the District to the City of Two Rivers, Wisconsin, consisting of the following:

Future maturities of principal and outstanding debt incurred by the City for financing The District projects	\$ 138,646
Less: Fund Balance in the District's Capital Projects Fund	(63,832)
Net Liability of the District - December 31, 2022	<b>\$ 74,814</b>

See accompanying Notes to Financial Statements.

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**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 8  
 HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
 YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION  
 THROUGH DECEMBER 31, 2022**

	<u>2022</u>	<u>From Date of Creation Through December 31, 2022</u>
<b>SOURCES OF FUNDS</b>		
Tax Increments	\$ 189,866	\$ 2,621,226
Intergovernmental	-	260,000
Developer Contribution	-	12,000
Proceeds from Long-term Debt	-	1,720,000
Miscellaneous	4,500	20,922
Total Sources of Funds	<u>194,366</u>	<u>4,634,148</u>
 <b>USES OF FUNDS</b>		
Capital Outlay	39,570	1,766,365
Administration	150	22,366
Developer Incentive Payments	80,000	160,000
Transfer to Affordable Housing Fund	70,026	70,026
Principal on Long-Term Debt	89,496	1,581,354
Interest and Fiscal Charges	7,314	954,855
Debt Issuance Costs	-	15,350
Total Uses of Funds	<u>286,556</u>	<u>4,570,316</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 (92,190)	 63,832
 Fund Balance - Beginning of Period	 <u>156,022</u>	 <u>-</u>
 <b>FUND BALANCE - END OF PERIOD</b>	 <u><u>\$ 63,832</u></u>	 <u><u>\$ 63,832</u></u>

See accompanying Notes to Financial Statements.

CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Two Rivers Tax Incremental District Number 8 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Wisconsin Statutes Section 66.1105 establishes reporting requirements for the District. The significant accounting principles and policies utilized by the City of Two Rivers in preparing the financial statements of the District are described below.

The District uses the criteria set forth by GASB to determine the scope of the reporting entity.

**A. Reporting Entity**

This report contains the financial statements of the City of Two Rivers Tax Incremental District Number 8. The accompanying financial statements do not include the full presentation of the financial statements of the City of Two Rivers, Wisconsin, and do not purport to represent the financial position or changes in financial position of the City of Two Rivers. The financial statements of the District were prepared from data recorded in the District’s capital project fund of the City and are presented in a format prescribed by the Wisconsin Department of Revenue.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until the maximum life of the District, whichever occurs first. The statutes in effect at the time of creation of the District provided for a maximum life of 27 years. Project costs uncollected at the dissolution date were absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the District. Listed below are the significant dates applicable to the District:

Creation Date	8/5/2002
Latest Date to Incur Project Expenditures	8/5/2024
Latest Termination Date	8/5/2029



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

The District's 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Project plan expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

District increments are recorded as revenues in the year due. Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

**C. Project Plan Budget**

The estimated revenues and expenditures of the District are adopted in the original project plan and any subsequent amendments. Those estimates are for the entire life of the District, and may not be comparable to interim results presented in this report.

**D. Use of Estimates**

The preparation of financial statements in conformity with accounting provisions of the Wisconsin Department of Revenue requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

**E. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**2. Property Taxes**

When the District was created, the value of all taxable property within the defined boundaries of the District was determined by the Wisconsin Department of Revenue. This value is known as the base value of the District, and remains unchanged through the life of the District unless the City amends District boundaries to add or remove properties. The Wisconsin Department of Revenue annually certifies the current value of all taxable property within the District.

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 two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement.

Property taxes collected on the base value are shared with the overlying taxing jurisdictions while property taxes collected on the growth in value, also known as the increment value, are retained by the City as tax increment revenue. The City uses the tax increment revenue to pay for approved project plan expenditures. A summary of taxable value within the District as of December 31, 2022 follows:

<u>Current Value</u>	<u>Base Value</u>	<u>Increment Value</u>
\$ 11,485,200	\$ -	\$ 11,485,200

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**F. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance (Continued)**

**3. Long-Term Obligations**

The District recognized bond premiums and discounts, as well as bond issuance costs, during the period when received or paid. The face amount of debt issued was 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. Premiums received, discounts on debt issuance, issuance costs and interest on long-term debt are considered financing costs recoverable from revenues of the District.

**4. Fund Balance**

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

**Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

**Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

**Unassigned fund balance.** Only deficit amounts are shown in this category.

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 CASH AND INVESTMENTS**

The District invests in funds in accordance with the provisions of the Wisconsin Statutes 66.0603(lm) and 67.11(2).

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction at the measurement date. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the City, maintains common cash and investment accounts. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Two Rivers as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

**NOTE 3 LONG-TERM OBLIGATIONS**

During the life of the District, the City issued general obligation debt backed by the full faith and credit of the City to finance District project plan expenditures. The debt issued by the District was retired by future tax increments.

The following is a summary of changes in long-term obligations for the District from the date of creation through December 31, 2022:

	Date of Creation	Issued	Retired	Outstanding 12/31/22	Due Within One Year
General Obligation Debt:					
Direct Borrowing					
State Trust Fund Loans	\$ -	\$ 1,720,000	\$ 1,581,354	\$ 138,646	\$ 92,649

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
State Trust Fund Loan	12/31/16	2029	3.00%	\$ 1,720,000	\$ 138,646

Annual principal and interest maturities of the outstanding general obligation debt of \$138,646 on December 31, 2022, are detailed below:

Year Ended December 31,	Principal	Interest	Total
2023	\$ 92,649	\$ 4,608	\$ 97,257
2024	45,997	1,834	47,831
Total	\$ 138,646	\$ 6,442	\$ 145,088

**SUPPLEMENTARY INFORMATION**

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD AUGUST 5, 2002 THROUGH DECEMBER 31, 2022**

	2002	2003	2004	2005	2006	2007
<b>REVENUES</b>						
Tax Increments	\$ -	\$ -	\$ 11,310	\$ 32,858	\$ 58,141	\$ 100,541
Intergovernmental	-	30,000	150,000	-	80,000	-
Developer Contribution	-	-	-	-	-	-
Proceeds from Long-term Debt	1,720,000	-	-	-	-	-
Miscellaneous	-	2,400	-	3,000	-	-
Total Revenues	<u>1,720,000</u>	<u>32,400</u>	<u>161,310</u>	<u>35,858</u>	<u>138,141</u>	<u>100,541</u>
<b>EXPENDITURES</b>						
Capital Outlay	8,026	1,281,780	304,370	104,321	10,514	-
Administration	18,985	-	-	-	-	-
Developer Incentive Payments	-	-	-	-	-	-
Transfer to Other Fund	-	-	-	-	-	-
Principal on Long-Term Debt	-	-	-	-	-	27,470
Interest and Fiscal Charges	-	37,120	56,385	65,221	23,390	90,317
Debt Issuance Costs and Agency Fees	15,350	-	-	-	-	-
Total Expenditures	<u>42,361</u>	<u>1,318,900</u>	<u>360,755</u>	<u>169,542</u>	<u>33,904</u>	<u>117,787</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,677,639	(1,286,500)	(199,445)	(133,684)	104,237	(17,246)
Fund Balance - Beginning of Period	-	1,677,639	391,139	191,694	58,010	162,247
<b>FUND BALANCE - END OF PERIOD</b>	<u>\$ 1,677,639</u>	<u>\$ 391,139</u>	<u>\$ 191,694</u>	<u>\$ 58,010</u>	<u>\$ 162,247</u>	<u>\$ 145,001</u>

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD AUGUST 5, 2002 THROUGH DECEMBER 31, 2022**

	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>							
Tax Increments	\$ 107,246	\$ 128,332	\$ 143,927	\$ 164,638	\$ 166,409	\$ 168,098	\$ 166,357
Intergovernmental	-	-	-	-	-	-	-
Developer Contribution	-	-	-	-	-	-	-
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>107,246</u>	<u>128,332</u>	<u>143,927</u>	<u>164,638</u>	<u>166,409</u>	<u>168,098</u>	<u>166,357</u>
<b>EXPENDITURES</b>							
Capital Outlay	-	-	-	-	1,581	-	-
Administration	-	-	150	150	275	400	150
Developer Incentive Payments	-	-	-	-	-	-	-
Transfer to Other Fund	-	-	-	-	-	-	-
Principal on Long-Term Debt	42,617	44,676	46,686	48,787	50,864	53,274	55,669
Interest and Fiscal Charges	75,170	73,111	71,101	69,000	66,923	64,513	72,836
Debt Issuance Costs and Agency Fees	-	-	-	-	-	-	-
Total Expenditures	<u>117,787</u>	<u>117,787</u>	<u>117,937</u>	<u>117,937</u>	<u>119,643</u>	<u>118,187</u>	<u>128,655</u>
<b>NET CHANGE IN FUND BALANCE</b>	(10,541)	10,545	25,990	46,701	46,766	49,911	37,702
Fund Balance - Beginning of Period	145,001	134,460	145,005	170,995	217,696	264,462	314,373
<b>FUND BALANCE - END OF PERIOD</b>	<u>\$ 134,460</u>	<u>\$ 145,005</u>	<u>\$ 170,995</u>	<u>\$ 217,696</u>	<u>\$ 264,462</u>	<u>\$ 314,373</u>	<u>\$ 352,075</u>

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD AUGUST 5, 2002 THROUGH DECEMBER 31, 2022**

	2015	2016	2017	2018	2019	2020	2021
<b>REVENUES</b>							
Tax Increments	\$ 161,985	\$ 163,678	\$ 158,960	\$ 159,425	\$ 172,540	\$ 186,452	\$ 180,463
Intergovernmental	-	-	-	-	-	-	-
Developer Contribution	-	-	-	-	-	-	12,000
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Miscellaneous	-	4,131	3,422	2,305	1,164	-	-
Total Revenues	161,985	167,809	162,382	161,730	173,704	186,452	192,463
<b>EXPENDITURES</b>							
Capital Outlay	-	-	-	-	-	8,013	8,190
Administration	150	150	150	150	382	972	152
Developer Incentive Payments	-	-	-	-	-	-	80,000
Transfer to Other Fund	-	-	-	-	-	-	-
Principal on Long-Term Debt	84,925	72,758	75,371	338,009	380,739	83,525	86,488
Interest and Fiscal Charges	43,227	35,135	30,119	31,156	22,316	12,428	8,073
Debt Issuance Costs and Agency Fees	-	-	-	-	-	-	-
Total Expenditures	128,302	108,043	105,640	369,315	403,437	104,938	182,903
<b>NET CHANGE IN FUND BALANCE</b>	33,683	59,766	56,742	(207,585)	(229,733)	81,514	9,560
Fund Balance - Beginning of Period	352,075	385,758	445,524	502,266	294,681	64,948	146,462
<b>FUND BALANCE - END OF PERIOD</b>	\$ 385,758	\$ 445,524	\$ 502,266	\$ 294,681	\$ 64,948	\$ 146,462	\$ 156,022

Section 10, Item E.



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 8  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD AUGUST 5, 2002 THROUGH DECEMBER 31, 2022**

	2022	Total	Original Project Plan	Plan Amendment	Total Project Plan
<b>REVENUES</b>					
Tax Increments	\$ 189,866	\$ 2,621,226	\$ 4,339,527	\$ 243,597	\$ 4,583,124
Intergovernmental	-	260,000	-	-	-
Developer Contribution	-	12,000	-	-	-
Proceeds from Long-term Debt	-	1,720,000	3,615,000	-	3,615,000
Miscellaneous	4,500	20,922	104,975	-	104,975
Total Revenues	<u>194,366</u>	<u>4,634,148</u>	<u>8,059,502</u>	<u>243,597</u>	<u>8,303,099</u>
<b>EXPENDITURES</b>					
Capital Outlay	39,570	1,766,365	1,485,000	785,000	2,270,000
Administration	150	22,366	45,375	35,000	80,375
Developer Incentive Payments	80,000	160,000	-	300,000	300,000
Transfer to Other Fund	70,026	70,026	-	-	-
Principal on Long-Term Debt	89,496	1,581,354	3,615,000	-	3,615,000
Interest and Fiscal Charges	7,314	954,855	1,939,169	-	1,939,169
Debt Issuance Costs and Agency Fees	-	15,350	-	-	-
Total Expenditures	<u>286,556</u>	<u>4,570,316</u>	<u>7,084,544</u>	<u>1,120,000</u>	<u>8,204,544</u>
<b>NET CHANGE IN FUND BALANCE</b>	(92,190)	63,832	\$ 974,958	\$ (876,403)	\$ 98,555
Fund Balance - Beginning of Period	<u>156,022</u>	<u>-</u>			
<b>FUND BALANCE - END OF PERIOD</b>	<u>\$ 63,832</u>	<u>\$ 63,832</u>			

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



CliftonLarsonAllen LLP  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
 REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT  
 LAWS AND REGULATIONS**

City Council  
 City of Two Rivers  
 Two Rivers, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Two Rivers, Wisconsin's Tax Incremental District Number 8 (the District), which comprise the balance sheet as of December 31, 2022, and the historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of Wisconsin State Statutes Section 66.1105 and the project plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the City Council, management, overlapping tax districts, and the Wisconsin Department of Revenue, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
 January 22, 2024



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**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 9  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF  
CREATION THROUGH DECEMBER 31, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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

City Council  
 City of Two Rivers, Wisconsin  
 Two Rivers, Wisconsin

### Report on the Audit of the Financial Statements

***Opinion***

We have audited the accompanying financial statements of the City of Two Rivers Tax Incremental District Number 9 (the District), which comprise the balance sheet as of as of December 31, 2022, and the related historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and the net project costs to be recovered through tax increments as of December 31, 2022, and the sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, on the basis of the financial reporting provisions of the Wisconsin Department of Revenue as described in Note 1.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Emphasis of Matters***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the Wisconsin Department of Revenue, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Wisconsin Department of Revenue. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only District and do not purport to, and do not present fairly the financial position of the City of Two Rivers, Wisconsin as of December 31, 2022, or the changes in its financial position from the date of creation through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Wisconsin Department of Revenue, as described in Note 1. Management is also responsible 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.

***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

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.



**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial transactions is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of financial transactions is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

In accordance with tax incremental district laws and regulations, we have also issued our report dated January 22, 2024 on our test of compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with tax incremental district laws and regulations in considering the District's compliance.

**Restriction on Use**

This report is intended solely for the information and use of City of Two Rivers, Wisconsin, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024

**FINANCIAL STATEMENTS**

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 9  
 BALANCE SHEET  
 DECEMBER 31, 2022**

**ASSETS**

Cash and Investments	\$	153,655
Receivables:		
Taxes Receivable		186,248
Total Assets	\$	339,903

**DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE**

<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied for Subsequent Year	\$	186,248
 <b>FUND BALANCE</b>		
Restricted		153,655
Total Deferred Inflows of Resources and Fund Balance	\$	339,903

See accompanying Notes to Financial Statements.

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Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN**  
**TAX INCREMENTAL DISTRICT NUMBER 9**  
**HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND**  
**NET COST TO BE RECOVERED THROUGH TAX INCREMENTS**  
**YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION**  
**THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
<b>PROJECT COSTS</b>		
Capital Outlay	\$ -	\$ 1,057,200
Administration	149	106,309
Developer Incentive Payments	207,623	4,051,086
Interest and Fiscal Charges	-	26,861
Total Project Costs	<u>207,772</u>	<u>5,241,456</u>
<b>PROJECT REVENUES</b>		
Tax Increments	220,508	4,311,336
Intergovernmental	3,681	91,313
Developer Contribution	-	987,462
Miscellaneous	-	5,000
Total Project Revenues	<u>224,189</u>	<u>5,395,111</u>
<b>PROJECT REVENUES IN EXCESS OF PROJECT COSTS</b>	<u><u>\$ (16,417)</u></u>	<u><u>\$ (153,655)</u></u>

See accompanying Notes to Financial Statements.

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Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN**  
**TAX INCREMENTAL DISTRICT NUMBER 9**  
**HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS**  
**YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION**  
**THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
<b>SOURCES OF FUNDS</b>		
Tax Increments	\$ 220,508	\$ 4,311,336
Intergovernmental	3,681	91,313
Developer Contribution	-	987,462
Miscellaneous	-	5,000
Total Sources of Funds	224,189	5,395,111
<b>USES OF FUNDS</b>		
Capital Outlay	-	1,057,200
Administration	149	106,309
Developer Incentive Payments	207,623	4,051,086
Interest and Fiscal Charges	-	26,861
Total Uses of Funds	207,772	5,241,456
<b>NET CHANGE IN FUND BALANCE</b>	16,417	153,655
Fund Balance - Beginning of Period	137,238	-
<b>FUND BALANCE - END OF PERIOD</b>	\$ 153,655	\$ 153,655

See accompanying Notes to Financial Statements.

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CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 9  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Two Rivers Tax Incremental District Number 9 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Wisconsin Statutes Section 66.1105 establishes reporting requirements for the District. The significant accounting principles and policies utilized by the City of Two Rivers in preparing the financial statements of the District are described below.

The District uses the criteria set forth by GASB to determine the scope of the reporting entity.

**A. Reporting Entity**

This report contains the financial statements of the City of Two Rivers Tax Incremental District Number 9. The accompanying financial statements do not include the full presentation of the financial statements of the City of Two Rivers, Wisconsin, and do not purport to represent the financial position or changes in financial position of the City of Two Rivers. The financial statements of the District were prepared from data recorded in the District’s capital project fund of the City and are presented in a format prescribed by the Wisconsin Department of Revenue.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until the maximum life of the District, whichever occurs first. The statutes in effect at the time of creation of the District provided for a maximum life of 23 years. Project costs uncollected at the dissolution date were absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the District. Listed below are the significant dates applicable to the District:

Creation Date	7/28/2003
Latest Date to Incur Project Expenditures	7/28/2021
Latest Termination Date	7/28/2026

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 9  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

The District's 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Project plan expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

District increments are recorded as revenues in the year due. Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

**C. Project Plan Budget**

The estimated revenues and expenditures of the District are adopted in the original project plan and any subsequent amendments. Those estimates are for the entire life of the District, and may not be comparable to interim results presented in this report.

**D. Use of Estimates**

The preparation of financial statements in conformity with accounting provisions of the Wisconsin Department of Revenue requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 9  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

**E. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**2. Property Taxes**

When the District was created, the value of all taxable property within the defined boundaries of the District was determined by the Wisconsin Department of Revenue. This value is known as the base value of the District, and remains unchanged through the life of the District unless the City amends District boundaries to add or remove properties. The Wisconsin Department of Revenue annually certifies the current value of all taxable property within the District.

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 two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement.

Property taxes collected on the base value are shared with the overlying taxing jurisdictions while property taxes collected on the growth in value, also known as the increment value, are retained by the City as tax increment revenue. The City uses the tax increment revenue to pay for approved project plan expenditures. A summary of taxable value within the District as of December 31, 2022 follows:

<u>Current Value</u>	<u>Base Value</u>	<u>Increment Value</u>
\$ 9,427,500	\$ 10,800	\$ 9,416,700



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 9  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**F. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance (Continued)**

**3. Fund Balance**

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

**Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

**Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

**Unassigned fund balance.** Only deficit amounts are shown in this category.

**NOTE 2 CASH AND INVESTMENTS**

The District invests in funds in accordance with the provisions of the Wisconsin Statutes 66.0603(lm) and 67.11(2).

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction at the measurement date. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the City, maintains common cash and investment accounts. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Two Rivers as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

**SUPPLEMENTARY INFORMATION**

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 9  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD JULY 28, 2003 THROUGH DECEMBER 31, 2022**

	2003	2004	2005	2006	2007	2008
<b>REVENUES</b>						
Tax Increments	\$ -	\$ -	\$ 111,584	\$ 257,984	\$ 256,646	\$ 261,256
Intergovernmental	-	-	-	11,114	5,986	4,412
Developer Contribution	601,469	235,211	150,782	-	-	-
Proceeds from Long-term Debt	-	-	-	-	-	-
Miscellaneous	5,000	-	-	-	-	-
<b>Total Revenues</b>	<b>606,469</b>	<b>235,211</b>	<b>262,366</b>	<b>269,098</b>	<b>262,632</b>	<b>265,668</b>
<b>EXPENDITURES</b>						
Capital Outlay	811,142	228,358	17,700	-	-	-
Administration	82,280	9,860	-	-	5,986	4,412
Developer Incentive Payments	-	-	111,584	249,925	234,891	238,153
Principal on Long-Term Debt	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	3,556	7,409	5,418	3,254
<b>Total Expenditures</b>	<b>893,422</b>	<b>238,218</b>	<b>132,840</b>	<b>257,334</b>	<b>246,295</b>	<b>245,819</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(286,953)</b>	<b>(3,007)</b>	<b>129,526</b>	<b>11,764</b>	<b>16,337</b>	<b>19,849</b>
Fund Balance (Deficit) - Beginning of Period	-	(286,953)	(289,960)	(160,434)	(148,670)	(132,333)
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<b>\$ (286,953)</b>	<b>\$ (289,960)</b>	<b>\$ (160,434)</b>	<b>\$ (148,670)</b>	<b>\$ (132,333)</b>	<b>\$ (112,484)</b>

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 9  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD JULY 28, 2003 THROUGH DECEMBER 31, 2022**

	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>						
Tax Increments	\$ 255,103	\$ 247,666	\$ 253,617	\$ 253,231	\$ 256,559	\$ 256,148
Intergovernmental	6,351	5,529	5,648	7,637	6,870	6,283
Developer Contribution	-	-	-	-	-	-
Proceeds from Long-term Debt	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>261,454</u>	<u>253,195</u>	<u>259,265</u>	<u>260,868</u>	<u>263,429</u>	<u>262,431</u>
<b>EXPENDITURES</b>						
Capital Outlay	-	-	-	-	-	-
Administration	1,822	150	150	150	150	150
Developer Incentive Payments	231,466	233,316	239,582	240,101	243,034	242,810
Principal on Long-Term Debt	-	-	-	-	-	-
Interest and Fiscal Charges	2,438	1,957	1,483	909	329	108
Total Expenditures	<u>235,726</u>	<u>235,423</u>	<u>241,215</u>	<u>241,160</u>	<u>243,513</u>	<u>243,068</u>
<b>NET CHANGE IN FUND BALANCE</b>	25,728	17,772	18,050	19,708	19,916	19,363
Fund Balance (Deficit) - Beginning of Period	(112,484)	(86,756)	(68,984)	(50,934)	(31,226)	(11,310)
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ (86,756)</u>	<u>\$ (68,984)</u>	<u>\$ (50,934)</u>	<u>\$ (31,226)</u>	<u>\$ (11,310)</u>	<u>\$ 8,053</u>

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 9  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD JULY 28, 2003 THROUGH DECEMBER 31, 2022**

	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>						
Tax Increments	\$ 248,055	\$ 250,103	\$ 237,239	\$ 237,619	\$ 243,379	\$ 237,338
Intergovernmental	5,247	4,376	3,542	3,594	4,835	3,681
Developer Contribution	-	-	-	-	-	-
Proceeds from Long-term Debt	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>253,302</u>	<u>254,479</u>	<u>240,781</u>	<u>241,213</u>	<u>248,214</u>	<u>241,019</u>
<b>EXPENDITURES</b>						
Capital Outlay	-	-	-	-	-	-
Administration	150	150	150	150	150	150
Developer Incentive Payments	235,281	235,058	223,132	221,516	227,996	222,762
Principal on Long-Term Debt	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>235,431</u>	<u>235,208</u>	<u>223,282</u>	<u>221,666</u>	<u>228,146</u>	<u>222,912</u>
<b>NET CHANGE IN FUND BALANCE</b>	17,871	19,271	17,499	19,547	20,068	18,107
Fund Balance (Deficit) - Beginning of Period	8,053	25,924	45,195	62,694	82,241	102,309
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ 25,924</u>	<u>\$ 45,195</u>	<u>\$ 62,694</u>	<u>\$ 82,241</u>	<u>\$ 102,309</u>	<u>\$ 120,416</u>

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 9  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD JULY 28, 2003 THROUGH DECEMBER 31, 2022**

	2021	2022	Total	Project Plan
<b>REVENUES</b>				
Tax Increments	\$ 227,301	\$ 220,508	\$ 4,311,336	\$ 6,309,178
Intergovernmental	2,527	3,681	91,313	750,000
Developer Contribution	-	-	987,462	-
Proceeds from Long-term Debt	-	-	-	2,825,000
Miscellaneous	-	-	5,000	145,583
Total Revenues	<u>229,828</u>	<u>224,189</u>	<u>5,395,111</u>	<u>10,029,761</u>
<b>EXPENDITURES</b>				
Capital Outlay	-	-	1,057,200	3,530,000
Administration	150	149	106,309	100,000
Developer Incentive Payments	212,856	207,623	4,051,086	-
Principal on Long-Term Debt	-	-	-	2,825,000
Interest and Fiscal Charges	-	-	26,861	2,498,229
Total Expenditures	<u>213,006</u>	<u>207,772</u>	<u>5,241,456</u>	<u>8,953,229</u>
<b>NET CHANGE IN FUND BALANCE</b>	16,822	16,417	153,655	<u>\$ 1,076,532</u>
Fund Balance (Deficit) - Beginning of Period	<u>120,416</u>	<u>137,238</u>	<u>-</u>	
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ 137,238</u>	<u>\$ 153,655</u>	<u>\$ 153,655</u>	

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



CliftonLarsonAllen LLP  
 CLAAconnect.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
 REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT  
 LAWS AND REGULATIONS**

City Council  
 City of Two Rivers  
 Two Rivers, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Two Rivers, Wisconsin's Tax Incremental District Number 9 (the District), which comprise the balance sheet as of December 31, 2022, and the historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of Wisconsin State Statutes Section 66.1105 and the project plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the City Council, management, Wisconsin Department of Revenue, and overlapping taxing districts and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
 January 22, 2024





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CliftonLarsonAllen LLP  
CLAconnect.com

To the City Council  
City of Two Rivers  
Two Rivers, Wisconsin

We have audited the financial statements of the City of Two Rivers Tax Incremental District Number 9 (the District) as of and for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and have issued our report thereon dated January 22, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit in our statement of work for audit services dated January 11, 2024. 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 the District are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2022.

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

*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 did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***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.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated January 22, 2024.

***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.

***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.

***Other audit findings or issues***

We have provided a separate communication to you dated January 22, 2024, communicating compliance with requirements of tax incremental financing district laws and regulations.

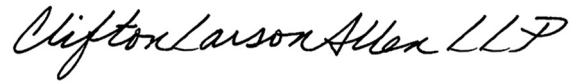
***Supplementary information in relation to the financial statements as a whole***

With respect to the schedule of financial transactions (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 financial reporting provisions of the Wisconsin Department of Revenue, 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 January 22, 2024.

\* \* \*

This communication is intended solely for the information and use of the City Council and management of the District, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024



## TWO RIVERS WISCONSIN

January 22, 2024

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 (the City) Tax Incremental District Number 9 (the District), as of December 31, 2022 and from the date of creation through December 31, 2022, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than generally accepted accounting principles 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 January 22, 2024, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 11, 2024, for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.
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. There are no significant assumptions used by us in making accounting estimates.
5. 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 accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. We have not identified or been notified of any uncorrected financial statement misstatements.
8. 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 the accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

**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.
  - e. All communications from the State of Wisconsin or underlying taxing jurisdictions concerning compliance with, or deficiencies in, compliance with Wisconsin Statutes related to tax increment districts.
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, 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, and we have not consulted a lawyer concerning litigation, claims, or assessments.
  8. There are no known related-party relationships or transactions which need to be accounted for or disclosed.
  9. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the District, 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.
  10. 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.
  11. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  12. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
  13. Project costs and uses of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  14. Project revenues and sources of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  15. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
  16. We acknowledge our responsibility for presenting the schedule of financial transactions (the supplementary information) in accordance with the requirements of the Wisconsin Department of Revenue, and we believe the supplementary information, including its form and content, is fairly presented in accordance with the requirements of the Wisconsin Department of Revenue. 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.

17. 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.

Signature:  Title: City Manager

Signature:  Title: Finance Director





To the City Council  
City of Two Rivers  
Two Rivers, Wisconsin

We have audited the financial statements of the City of Two Rivers Tax Incremental District Number 10 (the District) as of and for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and have issued our report thereon dated January 22, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit in our statement of work for audit services dated January 11, 2024. 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 the District are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2022.

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

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***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 did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

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***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.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated January 22, 2024.

***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.

***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.

***Other audit findings or issues***

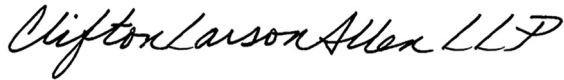
We have provided a separate communication to you dated January 22, 2024, communicating compliance with requirements of tax incremental financing district laws and regulations.

**Supplementary information in relation to the financial statements as a whole**

With respect to the schedule of financial transactions (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 financial reporting provisions of the Wisconsin Department of Revenue, 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 January 22, 2024.

\* \* \*

This communication is intended solely for the information and use of the City Council and management of the District, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024



## TWO RIVERS WISCONSIN

January 22, 2024

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 (the City) Tax Incremental District Number 10 (the District), as of December 31, 2022 and from the date of creation through December 31, 2022, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than generally accepted accounting principles 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 January 22, 2024, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 11, 2024, for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.
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. There are no significant assumptions used by us in making accounting estimates.
5. 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 accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. We have not identified or been notified of any uncorrected financial statement misstatements.
8. 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 the accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

**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.
  - e. All communications from the State of Wisconsin or underlying taxing jurisdictions concerning compliance with, or deficiencies in, compliance with Wisconsin Statutes related to tax increment districts.
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, 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, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 8. There are no known related-party relationships or transactions which need to be accounted for or disclosed.
- 9. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the District, 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.
- 10. 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.
- 11. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 12. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 13. Project costs and uses of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
- 14. Project revenues and sources of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
- 15. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 16. We acknowledge our responsibility for presenting the schedule of financial transactions (the supplementary information) in accordance with the requirements of the Wisconsin Department of Revenue, and we believe the supplementary information, including its form and content, is fairly presented in accordance with the requirements of the Wisconsin Department of Revenue. 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.

17. 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.

Signature:  Title: City Manager

Signature:  Title: FINANCE DIRECTOR

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF  
CREATION THROUGH DECEMBER 31, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
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## INDEPENDENT AUDITORS' REPORT

City Council  
 City of Two Rivers, Wisconsin  
 Two Rivers, Wisconsin

### Report on the Audit of the Financial Statements

***Opinion***

We have audited the accompanying financial statements of the City of Two Rivers Tax Incremental District Number 10 (the District), which comprise the balance sheet as of as of December 31, 2022, and the related historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and the net project costs to be recovered through tax increments as of December 31, 2022, and the sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, on the basis of the financial reporting provisions of the Wisconsin Department of Revenue as described in Note 1.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Emphasis of Matters***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the Wisconsin Department of Revenue, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Wisconsin Department of Revenue. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not present fairly the financial position of the City of Two Rivers, Wisconsin as of December 31, 2022, or the changes in its financial position from the date of creation through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Wisconsin Department of Revenue, as described in Note 1. Management is also responsible 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.

***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

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.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial transactions is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of financial transactions is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

In accordance with tax incremental district laws and regulations, we have also issued our report dated January 22, 2024 on our test of compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with tax incremental district laws and regulations in considering the District's compliance.

**Restriction on Use**

This report is intended solely for the information and use of City of Two Rivers, Wisconsin, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024

**FINANCIAL STATEMENTS**

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
BALANCE SHEET  
DECEMBER 31, 2022**

**ASSETS**

Taxes Receivable		\$ 10,852
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**LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND FUND BALANCE**

**LIABILITIES**

Due to Other Funds		\$ 162,899
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**DEFERRED INFLOWS OF RESOURCES**

Property Taxes Levied for Subsequent Year		<u>10,852</u>
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**FUND BALANCE**

Unassigned Deficit		<u>(162,899)</u>
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Total Liabilities, Deferred Inflows of Resources and Fund Balance		<u>\$ 10,852</u>
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See accompanying Notes to Financial Statements.

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**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 10  
 HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND  
 NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
 YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION  
 THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
<b>PROJECT COSTS</b>		
Capital Outlay	\$ -	\$ 125,067
Administration	4,327	104,513
Developer Incentive Payments	20,000	120,060
Transfer to Other Funds	-	220,517
Interest and Fiscal Charges	7,535	38,610
Total Project Costs	31,862	608,767
 <b>PROJECT REVENUES</b>		
Tax Increments	5,302	225,486
Intergovernmental	100	554
Developer Contribution	27,500	121,983
Miscellaneous	-	12,845
Total Project Revenues	32,902	360,868
 <b>PROJECT COSTS IN EXCESS OF PROJECT REVENUES</b>	<b>\$ (1,040)</b>	<b>\$ 247,899</b>

The above net unreimbursed project costs of \$247,899 on December 31, 2022 represents a net liability for the District to the City of Two Rivers, Wisconsin, consisting of the following:

Future maturities of principal and outstanding debt incurred by the City for financing the District's projects	\$ 85,000
Add: Fund Balance deficit in the District	162,899
Net Liability of the District - December 31, 2022	<b>\$ 247,899</b>

See accompanying Notes to Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 10  
 HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
 YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION  
 THROUGH DECEMBER 31, 2022**

	<u>2022</u>	<u>From Date of Creation Through December 31, 2022</u>
<b>SOURCES OF FUNDS</b>		
Tax Increments	\$ 5,302	\$ 225,486
Intergovernmental	100	554
Developer Contribution	27,500	121,983
Proceeds from Long-term Debt	-	125,000
Miscellaneous	-	12,845
Total Sources of Funds	<u>32,902</u>	<u>485,868</u>
 <b>USES OF FUNDS</b>		
Capital Outlay	-	125,067
Administration	4,327	104,513
Developer Incentive Payments	20,000	120,060
Principal on Long-Term Debt	20,000	40,000
Transfer to Other Funds	-	220,517
Interest and Fiscal Charges	7,535	38,610
Total Uses of Funds	<u>51,862</u>	<u>648,767</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 (18,960)	 (162,899)
 Fund Balance - Beginning of Period	 <u>(143,939)</u>	 <u>-</u>
 <b>FUND BALANCE - END OF PERIOD</b>	 <u><u>\$ (162,899)</u></u>	 <u><u>\$ (162,899)</u></u>

See accompanying Notes to Financial Statements.



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Two Rivers Tax Incremental District Number 10 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Wisconsin Statutes Section 66.1105 establishes reporting requirements for the District. The significant accounting principles and policies utilized by the City of Two Rivers in preparing the financial statements of the District are described below.

The District uses the criteria set forth by GASB to determine the scope of the reporting entity.

**A. Reporting Entity**

This report contains the financial statements of the City of Two Rivers Tax Incremental District Number 10. The accompanying financial statements do not include the full presentation of the financial statements of the City of Two Rivers, Wisconsin, and do not purport to represent the financial position or changes in financial position of the City of Two Rivers. The financial statements of the District were prepared from data recorded in the District's capital project fund of the City and are presented in a format prescribed by the Wisconsin Department of Revenue.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until the maximum life of the District, whichever occurs first. The statutes in effect at the time of creation of the District provided for a maximum life of 27 years. Project costs uncollected at the dissolution date were absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the District. Listed below are the significant dates applicable to the District:

Creation Date	8/25/2014
Latest Date to Incur Project Expenditures	8/25/2036
Latest Termination Date	8/25/2041

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

The District's 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Project plan expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

District increments are recorded as revenues in the year due. Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

**C. Project Plan Budget**

The estimated revenues and expenditures of the District are adopted in the original project plan and any subsequent amendments. Those estimates are for the entire life of the District, and may not be comparable to interim results presented in this report.

**D. Use of Estimates**

The preparation of financial statements in conformity with accounting provisions of the Wisconsin Department of Revenue requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**E. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**2. Property Taxes**

When the District was created, the value of all taxable property within the defined boundaries of the District was determined by the Wisconsin Department of Revenue. This value is known as the base value of the District, and remains unchanged through the life of the District unless the City amends District boundaries to add or remove properties. The Wisconsin Department of Revenue annually certifies the current value of all taxable property within the District.

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 two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement.

Property taxes collected on the base value are shared with the overlying taxing jurisdictions while property taxes collected on the growth in value, also known as the increment value, are retained by the City as tax increment revenue. The City uses the tax increment revenue to pay for approved project plan expenditures. A summary of taxable value within the District as of December 31, 2022 follows:

Current Value	Base Value	Increment Value
\$ 2,619,400	\$ 2,070,700	\$ 548,700

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**F. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance (Continued)**

**3. Interfund Payables**

During the course of operations of the District, 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 financial statements.

**4. Long-Term Obligations**

The District recognized bond premiums and discounts, as well as bond issuance costs, during the period when received or paid. The face amount of debt issued was 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. Premiums received, discounts on debt issuance, issuance costs and interest on long-term debt are considered financing costs recoverable from revenues of the District.

**5. Fund Balance**

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

**Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

**Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

**Unassigned fund balance.** Only deficit amounts are shown in this category.

CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 2 CASH AND INVESTMENTS**

The District invests in funds in accordance with the provisions of the Wisconsin Statutes 66.0603(lm) and 67.11(2).

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction at the measurement date. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the City, maintains common cash and investment accounts. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Two Rivers as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

**NOTE 3 LONG-TERM OBLIGATIONS**

During the life of the District, the City issued general obligation debt backed by the full faith and credit of the City to finance District project plan expenditures. The debt issued by the District was retired by future tax increments.

The following is a summary of changes in long-term obligations for the District from the date of creation through December 31, 2022:

	Date of Creation	Issued	Retired	Outstanding 12/31/22	Due Within One Year
General Obligation Debt:					
Notes	\$ -	\$ 125,000	\$ 40,000	\$ 85,000	\$ 20,000

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 10  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2022**

**NOTE 3 LONG-TERM OBLIGATIONS (CONTINUED)**

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
General Obligation Notes	4/20/20	2030	2.55%	\$ 125,000	\$ 85,000

Annual principal and interest maturities of the outstanding general obligation debt of \$85,000 on December 31, 2022, are detailed below:

Year Ended December 31,	Principal	Interest	Total
2023	\$ 20,000	\$ 2,250	\$ 22,250
2024	20,000	1,650	21,650
2025	20,000	1,050	21,050
2026	25,000	375	25,375
Total	\$ 85,000	\$ 5,325	\$ 90,325

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**SUPPLEMENTARY INFORMATION**

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD AUGUST 25, 2014 THROUGH DECEMBER 31, 2022**

	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>							
Tax Increments	\$ -	\$ -	\$ -	\$ 53,530	\$ 56,145	\$ 54,661	\$ 53,077
Intergovernmental	-	-	8	24	24	298	100
Developer Contribution	-	-	-	-	11,983	27,500	27,500
Proceeds from Long-term Debt	-	-	-	-	-	-	125,000
Miscellaneous	-	6,095	6,750	-	-	-	-
<b>Total Revenues</b>	-	<u>6,095</u>	<u>6,758</u>	<u>53,554</u>	<u>68,152</u>	<u>82,459</u>	<u>205,677</u>
<b>EXPENDITURES</b>							
Capital Outlay	-	5,100	75,561	24,284	10,489	4,030	1,605
Administration	10,489	5,230	66,918	4,948	3,150	3,151	3,150
Developer Incentive Payments	-	-	60	20,000	20,000	20,000	20,000
Transfer to Other Funds	-	-	-	23,343	23,343	23,343	150,488
Principal on Long-Term Debt	-	-	-	-	-	-	-
Interest and Fiscal Charges	315	329	4,209	4,724	5,033	4,096	3,414
<b>Total Expenditures</b>	<u>10,804</u>	<u>10,659</u>	<u>146,748</u>	<u>77,299</u>	<u>62,015</u>	<u>54,620</u>	<u>178,657</u>
<b>NET CHANGE IN FUND BALANCE</b>	(10,804)	(4,564)	(139,990)	(23,745)	6,137	27,839	27,020
Fund Balance (Deficit) - Beginning of Period	-	(10,804)	(15,368)	(155,358)	(179,103)	(172,966)	(145,127)
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ (10,804)</u>	<u>\$ (15,368)</u>	<u>\$ (155,358)</u>	<u>\$ (179,103)</u>	<u>\$ (172,966)</u>	<u>\$ (145,127)</u>	<u>\$ (118,107)</u>



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 10  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD AUGUST 25, 2014 THROUGH DECEMBER 31, 2022**

	2021	2022	Total	Original Project Plan	Plan Amendments	Total Project Plan
<b>REVENUES</b>						
Tax Increments	\$ 2,771	\$ 5,302	\$ 225,486	\$ 4,071,348	\$ 1,342,291	\$ 5,413,639
Intergovernmental	-	100	554	-	566	566
Developer Contribution	27,500	27,500	121,983	-	-	-
Proceeds from Long-term Debt	-	-	125,000	1,250,000	-	1,250,000
Miscellaneous	-	-	12,845	44,362	8,658	53,020
Total Revenues	<u>30,271</u>	<u>32,902</u>	<u>485,868</u>	<u>5,365,710</u>	<u>1,351,515</u>	<u>6,717,225</u>
<b>EXPENDITURES</b>						
Capital Outlay	3,998	-	125,067	1,250,000	500,000	1,750,000
Administration	3,150	4,327	104,513	60,000	15,000	75,000
Developer Incentive Payments	20,000	20,000	120,060	350,000	550,000	900,000
Transfer to Other Funds	-	-	220,517	-	-	-
Principal on Long-Term Debt	20,000	20,000	40,000	1,250,000	-	1,250,000
Interest and Fiscal Charges	8,955	7,535	38,610	631,582	-	631,582
Total Expenditures	<u>56,103</u>	<u>51,862</u>	<u>648,767</u>	<u>3,541,582</u>	<u>1,065,000</u>	<u>4,606,582</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(25,832)</u>	<u>(18,960)</u>	<u>(162,899)</u>	<u>\$ 1,824,128</u>	<u>\$ 286,515</u>	<u>\$ 2,110,643</u>
Fund Balance (Deficit) - Beginning of Period	<u>(118,107)</u>	<u>(143,939)</u>	<u>-</u>			
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ (143,939)</u>	<u>\$ (162,899)</u>	<u>\$ (162,899)</u>			

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



CliftonLarsonAllen LLP  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
 REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT  
 LAWS AND REGULATIONS**

City Council  
 City of Two Rivers  
 Two Rivers, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Two Rivers, Wisconsin's Tax Incremental District Number 10 (the District), which comprise the balance sheet as of December 31, 2022, and the related historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of Wisconsin State Statutes Section 66.1105 and the project plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the City Council, management, overlapping tax districts, and the Wisconsin Department of Revenue, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
 January 22, 2024



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To the City Council  
City of Two Rivers  
Two Rivers, Wisconsin

We have audited the financial statements of the City of Two Rivers Tax Incremental District Number 11 (the District) as of and for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and have issued our report thereon dated January 22, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit in our statement of work for audit services dated January 11, 2024. 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 the District are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2022.

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

*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 did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***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.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated January 22, 2024.

***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.

***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.

***Other audit findings or issues***

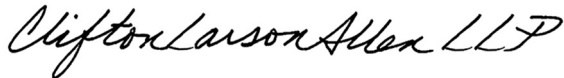
We have provided a separate communication to you dated January 22, 2024, communicating compliance with requirements of tax incremental financing district laws and regulations.

**Supplementary information in relation to the financial statements as a whole**

With respect to the schedule of financial transactions (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 financial reporting provisions of the Wisconsin Department of Revenue, 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 January 22, 2024.

\* \* \*

This communication is intended solely for the information and use of the City Council and management of the District, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024



## TWO RIVERS WISCONSIN

January 22, 2024

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 (the City) Tax Incremental District Number 11 (the District), as of December 31, 2022 and from the date of creation through December 31, 2022, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than generally accepted accounting principles 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 January 22, 2024, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 11, 2024, for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.
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. There are no significant assumptions used by us in making accounting estimates.
5. 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 accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.



6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. We have not identified or been notified of any uncorrected financial statement misstatements.
8. 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 the accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

**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.
  - e. All communications from the State of Wisconsin or underlying taxing jurisdictions concerning compliance with, or deficiencies in, compliance with Wisconsin Statutes related to tax increment districts.
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, 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, and we have not consulted a lawyer concerning litigation, claims, or assessments.
  8. There are no known related-party relationships or transactions which need to be accounted for or disclosed.
  9. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the District, 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.
  10. 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.
  11. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  12. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
  13. Project costs and uses of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  14. Project revenues and sources of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  15. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
  16. We acknowledge our responsibility for presenting the schedule of financial transactions (the supplementary information) in accordance with the requirements of the Wisconsin Department of Revenue, and we believe the supplementary information, including its form and content, is fairly presented in accordance with the requirements of the Wisconsin Department of Revenue. 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.

17. 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.

Signature:  Title: CITY MANAGER

Signature:  Title: FINANCE DIRECTOR

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 11  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF  
CREATION THROUGH DECEMBER 31, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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## INDEPENDENT AUDITORS' REPORT

City Council  
 City of Two Rivers, Wisconsin  
 Two Rivers, Wisconsin

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the City of Two Rivers Tax Incremental District Number 11 (the District), which comprise the balance sheet as of as of December 31, 2022, and the related historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and the net project costs to be recovered through tax increments as of December 31, 2022, and the sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, on the basis of the financial reporting provisions of the Wisconsin Department of Revenue as described in Note 1.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matters*

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the Wisconsin Department of Revenue, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Wisconsin Department of Revenue. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not present fairly the financial position of the City of Two Rivers, Wisconsin as of December 31, 2022, or the changes in its financial position from the date of creation through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Wisconsin Department of Revenue, as described in Note 1. Management is also responsible 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.

***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

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.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial transactions is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of financial transactions is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

In accordance with tax incremental district laws and regulations, we have also issued our report dated January 22, 2024 on our test of compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with tax incremental district laws and regulations in considering the District's compliance.

**Restriction on Use**

This report is intended solely for the information and use of City of Two Rivers, Wisconsin, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024



**FINANCIAL STATEMENTS**

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 11  
BALANCE SHEET  
DECEMBER 31, 2022**

**ASSETS**

Cash and Investments	\$	4,378
Receivables:		
Taxes Receivable		29,573
Total Assets	\$	33,951

**DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE**

<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied for Subsequent Year		29,573
<b>FUND BALANCE</b>		
Restricted		4,378
Total Deferred Inflows of Resources and Fund Balance	\$	33,951

See accompanying Notes to Financial Statements.

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Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 11  
 HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND  
 NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
 YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION  
 THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
<b>PROJECT COSTS</b>		
Administration	\$ 150	\$ 10,266
Developer Incentive Payments	42,967	157,834
Interest and Fiscal Charges	-	431
Total Project Costs	43,117	168,531
<b>PROJECT REVENUES</b>		
Tax Increments	26,843	108,409
Intergovernmental	16,125	64,500
Total Project Revenues	42,968	172,909
<b>PROJECT REVENUES IN EXCESS (DEFICIT) OF PROJECT REVENUES</b>	\$ 149	\$ (4,378)

See accompanying Notes to Financial Statements.

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Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 11  
 HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
 YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION  
 THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
<b>SOURCES OF FUNDS</b>		
Tax Increments	\$ 26,843	\$ 108,409
Intergovernmental	16,125	64,500
Total Sources of Funds	42,968	172,909
 <b>USES OF FUNDS</b>		
Administration	150	10,266
Developer Incentive Payments	42,967	157,834
Interest and Fiscal Charges	-	431
Total Uses of Funds	43,117	168,531
 <b>NET CHANGE IN FUND BALANCE</b>	(149)	4,378
 Fund Balance - Beginning of Period	4,527	-
 <b>FUND BALANCE - END OF PERIOD</b>	\$ 4,378	\$ 4,378

See accompanying Notes to Financial Statements.

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CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 11  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Two Rivers Tax Incremental District Number 11 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Wisconsin Statutes Section 66.1105 establishes reporting requirements for the District. The significant accounting principles and policies utilized by the City of Two Rivers in preparing the financial statements of the District are described below.

The District uses the criteria set forth by GASB to determine the scope of the reporting entity.

**A. Reporting Entity**

This report contains the financial statements of the City of Two Rivers Tax Incremental District Number 11. The accompanying financial statements do not include the full presentation of the financial statements of the City of Two Rivers, Wisconsin, and do not purport to represent the financial position or changes in financial position of the City of Two Rivers. The financial statements of the District were prepared from data recorded in the District’s capital project fund of the City and are presented in a format prescribed by the Wisconsin Department of Revenue.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until the maximum life of the District, whichever occurs first. The statutes in effect at the time of creation of the District provided for a maximum life of 27 years. Project costs uncollected at the dissolution date were absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the District. Listed below are the significant dates applicable to the District:

Creation Date	9/6/2016
Latest Date to Incur Project Expenditures	9/6/2038
Latest Termination Date	9/6/2043

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 11  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

The District's 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Project plan expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

District increments are recorded as revenues in the year due. Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

**C. Project Plan Budget**

The estimated revenues and expenditures of the District are adopted in the original project plan and any subsequent amendments. Those estimates are for the entire life of the District, and may not be comparable to interim results presented in this report.

**D. Use of Estimates**

The preparation of financial statements in conformity with accounting provisions of the Wisconsin Department of Revenue requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 11  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

**E. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**2. Property Taxes**

When the District was created, the value of all taxable property within the defined boundaries of the District was determined by the Wisconsin Department of Revenue. This value is known as the base value of the District, and remains unchanged through the life of the District unless the City amends District boundaries to add or remove properties. The Wisconsin Department of Revenue annually certifies the current value of all taxable property within the District.

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 two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement.

Property taxes collected on the base value are shared with the overlying taxing jurisdictions while property taxes collected on the growth in value, also known as the increment value, are retained by the City as tax increment revenue. The City uses the tax increment revenue to pay for approved project plan expenditures. A summary of taxable value within the District as of December 31, 2022 follows:

<u>Current Value</u>	<u>Base Value</u>	<u>Increment Value</u>
\$ 2,355,600	\$ 860,400	\$ 1,495,200

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 11  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**F. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance (Continued)**

**3. Fund Balance**

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

**Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

**Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

**Unassigned fund balance.** Only deficit amounts are shown in this category.

**NOTE 2 CASH AND INVESTMENTS**

The District invests in funds in accordance with the provisions of the Wisconsin Statutes 66.0603(lm) and 67.11(2).

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction at the measurement date. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the City, maintains common cash and investment accounts. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Two Rivers as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.



**SUPPLEMENTARY INFORMATION**

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 11  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 6, 2016 THROUGH DECEMBER 31, 2022**

	2016	2017	2018	2019	2020	2021
<b>REVENUES</b>						
Tax Increments	\$ -	\$ -	\$ 15,914	\$ 6,922	\$ 31,116	\$ 27,614
Intergovernmental	-	-	-	77	16,125	32,173
Proceeds from Long-term Debt	-	-	-	-	-	-
Total Revenues	-	-	15,914	6,999	47,241	59,787
<b>EXPENDITURES</b>						
Capital Outlay	-	-	-	-	-	-
Administration	2,584	6,532	550	150	150	150
Developer Incentive Payments	-	-	-	6,922	47,240	60,705
Principal on Long-Term Debt	-	-	-	-	-	-
Interest and Fiscal Charges	78	353	-	-	-	-
Total Expenditures	2,662	6,885	550	7,072	47,390	60,855
<b>NET CHANGE IN FUND BALANCE</b>	(2,662)	(6,885)	15,364	(73)	(149)	(1,068)
Fund Balance (Deficit) - Beginning of Period	-	(2,662)	(9,547)	5,817	5,744	5,595
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	\$ (2,662)	\$ (9,547)	\$ 5,817	\$ 5,744	\$ 5,595	\$ 4,527

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 11  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 6, 2016 THROUGH DECEMBER 31, 2022**

	2022	Total	Project Plan
<b>REVENUES</b>			
Tax Increments	\$ 26,843	\$ 108,409	\$ 2,073,592
Intergovernmental	16,125	64,500	-
Proceeds from Long-term Debt	-	-	900,000
Total Revenues	42,968	172,909	2,973,592
<b>EXPENDITURES</b>			
Capital Outlay	-	-	768,000
Administration	150	10,266	27,000
Developer Incentive Payments	42,967	157,834	400,000
Principal on Long-Term Debt	-	-	900,000
Interest and Fiscal Charges	-	431	352,000
Total Expenditures	43,117	168,531	2,447,000
<b>NET CHANGE IN FUND BALANCE</b>	(149)	4,378	\$ 526,592
Fund Balance (Deficit) - Beginning of Period	4,527	-	-
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	\$ 4,378	\$ 4,378	-

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



CliftonLarsonAllen LLP  
 CLAconnect.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
 REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT  
 LAWS AND REGULATIONS**

City Council  
 City of Two Rivers  
 Two Rivers, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Two Rivers, Wisconsin's Tax Incremental District Number 11 (the District), which comprise the balance sheet as of December 31, 2022, and the historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of Wisconsin State Statutes Section 66.1105 and the project plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the City Council, management, Wisconsin Department of Revenue, and overlapping taxing districts, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
 January 22, 2024



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 12  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF  
CREATION THROUGH DECEMBER 31, 2022**



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 12  
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## INDEPENDENT AUDITORS' REPORT

City Council  
 City of Two Rivers, Wisconsin  
 Two Rivers, Wisconsin

### Report on the Audit of the Financial Statements

***Opinion***

We have audited the accompanying financial statements of the City of Two Rivers Tax Incremental District Number 12 (the District), which comprise the balance sheet as of as of December 31, 2022, and the related historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and the net project costs to be recovered through tax increments as of December 31, 2022, and the sources, uses, and status of funds for the year ended December 31, 2022 and from the date the District was created through December 31, 2022 on the basis of the financial reporting provisions of the Wisconsin Department of Revenue as described in Note 1.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Emphasis of Matters***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the Wisconsin Department of Revenue, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Wisconsin Department of Revenue. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not, present fairly the financial position of the City of Two Rivers, Wisconsin as of December 21, 2022, or the changes in its financial position from the date of creation through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Wisconsin Department of Revenue, as described in Note 1. Management is also responsible 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.

***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

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.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial transactions is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of financial transactions is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

In accordance with tax incremental district laws and regulations, we have also issued our report dated January 22, 2024 on our test of compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with tax incremental district laws and regulations in considering the District's compliance.

**Restriction on Use**

This report is intended solely for the information and use of City of Two Rivers, Wisconsin, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024

**FINANCIAL STATEMENTS**

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 12  
 BALANCE SHEET  
 DECEMBER 31, 2022**

**ASSETS**

Cash and Investments	\$	1,063
Receivables:		
Taxes Receivable		103,546
Total Assets	\$	104,609

**DEFERRED INFLOWS OF  
 RESOURCES AND FUND BALANCE**

<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied for Subsequent Year	\$	103,546
 <b>FUND BALANCE</b>		
Restricted		1,063
Total Deferred Inflows of Resources and Fund Balance	\$	104,609

See accompanying Notes to Financial Statements.

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**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 12  
 HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND  
 NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
 YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION  
 THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
<b>PROJECT COSTS</b>		
Administration	\$ 151	\$ 38,602
Developer Incentive Payments	-	1,000,000
Interest and Fiscal Charges	30,803	91,921
Debt Issuance Costs	-	15,870
Total Project Costs	30,954	1,146,393
<b>PROJECT REVENUES</b>		
Tax Increments	100,752	122,456
Intergovernmental	-	250,000
Total Project Revenues	100,752	372,456
<b>PROJECT COSTS IN EXCESS OF PROJECT REVENUES</b>	<b>\$ (69,798)</b>	<b>\$ 773,937</b>

The above net unreimbursed project costs of \$773,937 on December 31, 2022 represents a net liability for the District to the City of Two Rivers, Wisconsin, consisting of the following:

Future maturities of principal and outstanding debt incurred by the City for financing the District's projects	\$ 775,000
Less: Fund Balance in the District's Capital Projects Fund	(1,063)
Net Liability of the District - December 31, 2022	<b>\$ 773,937</b>

See accompanying Notes to Financial Statements.

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
 TAX INCREMENTAL DISTRICT NUMBER 12  
 HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
 YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION  
 THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
<b>SOURCES OF FUNDS</b>		
Tax Increments	\$ 100,752	\$ 122,456
Intergovernmental	-	250,000
Proceeds from Long-term Debt	-	1,525,000
Total Sources of Funds	100,752	1,897,456
<b>USES OF FUNDS</b>		
Administration	151	38,602
Developer Incentive Payments	-	1,000,000
Principal on Long-Term Debt	-	750,000
Interest and Fiscal Charges	30,803	91,921
Debt Issuance Costs	-	15,870
Total Uses of Funds	30,954	1,896,393
<b>NET CHANGE IN FUND BALANCE</b>	69,798	1,063
Fund Balance - Beginning of Period	(68,735)	-
<b>FUND BALANCE - END OF PERIOD</b>	\$ 1,063	\$ 1,063

See accompanying Notes to Financial Statements.

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CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 12  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Two Rivers Tax Incremental District Number 12 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Wisconsin Statutes Section 66.1105 establishes reporting requirements for the District. The significant accounting principles and policies utilized by the City of Two Rivers in preparing the financial statements of the District are described below.

The District uses the criteria set forth by GASB to determine the scope of the reporting entity.

**A. Reporting Entity**

This report contains the financial statements of the City of Two Rivers Tax Incremental District Number 12. The accompanying financial statements do not include the full presentation of the financial statements of the City of Two Rivers, Wisconsin, and do not purport to represent the financial position or changes in financial position of the City of Two Rivers. The financial statements of the District were prepared from data recorded in the District’s capital project fund of the City and are presented in a format prescribed by the Wisconsin Department of Revenue.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until the maximum life of the District, whichever occurs first. The statutes in effect at the time of creation of the District provided for a maximum life of 27 years. Project costs uncollected at the dissolution date were absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the District. Listed below are the significant dates applicable to the District:

Creation Date	9/4/2018
Latest Date to Incur Project Expenditures	9/7/2040
Latest Termination Date	9/4/2045



**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 12  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

The District's 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Project plan expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

District increments are recorded as revenues in the year due. Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

**C. Project Plan Budget**

The estimated revenues and expenditures of the District are adopted in the original project plan and any subsequent amendments. Those estimates are for the entire life of the District, and may not be comparable to interim results presented in this report.

**D. Use of Estimates**

The preparation of financial statements in conformity with accounting provisions of the Wisconsin Department of Revenue requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 12  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**E. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**2. Property Taxes**

When the District was created, the value of all taxable property within the defined boundaries of the District was determined by the Wisconsin Department of Revenue. This value is known as the base value of the District, and remains unchanged through the life of the District unless the City amends District boundaries to add or remove properties. The Wisconsin Department of Revenue annually certifies the current value of all taxable property within the District.

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 two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement.

Property taxes collected on the base value are shared with the overlying taxing jurisdictions while property taxes collected on the growth in value, also known as the increment value, are retained by the City as tax increment revenue. The City uses the tax increment revenue to pay for approved project plan expenditures. A summary of taxable value within the District as of December 31, 2022 follows:

Current Value	Base Value	Increment Value
\$ 7,967,400	\$ 2,732,100	\$ 5,235,300

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 12  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**F. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance (Continued)**

**3. Long-Term Obligations**

The District recognized bond premiums and discounts, as well as bond issuance costs, during the period when received or paid. The face amount of debt issued was 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. Premiums received, discounts on debt issuance, issuance costs and interest on long-term debt are considered financing costs recoverable from revenues of the District.

**4. Fund Balance**

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

**Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

**Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

**Unassigned fund balance.** Only deficit amounts are shown in this category.

**NOTE 2 CASH AND INVESTMENTS**

The District invests in funds in accordance with the provisions of the Wisconsin Statutes 66.0603(lm) and 67.11(2).

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction at the measurement date. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the City, maintains common cash and investment accounts. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Two Rivers as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

Section 10, Item E.

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 12  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 LONG-TERM OBLIGATIONS**

During the life of the District, the City issued general obligation debt backed by the full faith and credit of the City to finance District project plan expenditures. The debt issued by the District was retired by future tax increments.

The following is a summary of changes in long-term obligations for the District from the date of creation through December 31, 2022:

	Date of Creation	Issued	Retired	Outstanding 12/31/22	Due Within One Year
General Obligation Debt:					
Bonds	\$ -	\$ 775,000	\$ -	\$ 775,000	\$ 25,000
Direct Borrowing					
State Trust Fund Loans	-	750,000	750,000	-	-
Total General Obligation Debt	<u>\$ -</u>	<u>\$ 1,525,000</u>	<u>\$ 750,000</u>	<u>\$ 775,000</u>	<u>\$ 25,000</u>

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
General Obligation Refunding Bonds	7/23/19	2039	2.4 - 3.25%	\$ 775,000	\$ 775,000

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$775,000 on December 31, 2022, are detailed below:

Year Ended December 31,	Principal	Interest	Total
2023	\$ 25,000	\$ 23,020	\$ 48,020
2024	30,000	22,195	52,195
2025	35,000	21,220	56,220
2026	40,000	20,095	60,095
2027	45,000	18,820	63,820
2028 - 2032	220,000	74,990	294,990
2033 - 2037	260,000	40,850	300,850
2038 - 2039	120,000	3,900	123,900
Total	<u>\$ 775,000</u>	<u>\$ 225,090</u>	<u>\$ 1,000,090</u>

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**SUPPLEMENTARY INFORMATION**

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 12  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 4, 2018 THROUGH DECEMBER 31, 2022**

	2018	2019	2020	2021	2022
<b>REVENUES</b>					
Tax Increments	\$ -	\$ -	\$ -	\$ 21,704	\$ 100,752
Intergovernmental	-	-	250,000	-	-
Proceeds from Long-term Debt	-	750,000	-	775,000	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>-</u>	<u>750,000</u>	<u>250,000</u>	<u>796,704</u>	<u>100,752</u>
<b>EXPENDITURES</b>					
Capital Outlay	-	-	-	-	-
Administration	5,184	16,785	11,269	5,213	151
Developer Incentive Payments	-	250,000	750,000	-	-
Principal on Long-Term Debt	-	-	-	750,000	-
Interest and Fiscal Charges	156	-	20,905	40,057	30,803
Debt Issuance Costs	-	-	-	15,870	-
Total Expenditures	<u>5,340</u>	<u>266,785</u>	<u>782,174</u>	<u>811,140</u>	<u>30,954</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,340)	483,215	(532,174)	(14,436)	69,798
Fund Balance (Deficit) - Beginning of Period	-	(5,340)	477,875	(54,299)	(68,735)
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	<u>\$ (5,340)</u>	<u>\$ 477,875</u>	<u>\$ (54,299)</u>	<u>\$ (68,735)</u>	<u>\$ 1,063</u>

**CITY OF TWO RIVERS, WISCONSIN  
TAX INCREMENTAL DISTRICT NUMBER 12  
SCHEDULE OF FINANCIAL TRANSACTIONS  
FOR THE PERIOD SEPTEMBER 4, 2018 THROUGH DECEMBER 31, 2022**

	Total	Original Project Plan	Plan Amendment	Total Project Plan
<b>REVENUES</b>				
Tax Increments	\$ 122,456	\$ 1,514,575	\$ 506,239	\$ 2,020,814
Intergovernmental	250,000	-	-	-
Proceeds from Long-term Debt	1,525,000	800,000	450,000	1,250,000
Miscellaneous	-	2,030	-	2,030
Total Revenues	1,897,456	2,316,605	956,239	3,272,844
<b>EXPENDITURES</b>				
Capital Outlay	-	250,000	500,000	750,000
Administration	38,602	50,000	25,000	75,000
Developer Incentive Payments	1,000,000	-	400,000	400,000
Principal on Long-Term Debt	750,000	800,000	450,000	1,250,000
Interest and Fiscal Charges	91,921	467,824	212,387	680,211
Debt Issuance Costs	15,870	-	-	-
Total Expenditures	1,896,393	1,567,824	1,587,387	3,155,211
<b>NET CHANGE IN FUND BALANCE</b>	1,063	\$ 748,781	\$ (631,148)	\$ 117,633
Fund Balance (Deficit) - Beginning of Period	-			
<b>FUND BALANCE (DEFICIT) - END OF PERIOD</b>	\$ 1,063			

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





CliftonLarsonAllen LLP  
CLAconnect.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT  
LAWS AND REGULATIONS**

City Council  
City of Two Rivers  
Two Rivers, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Two Rivers, Wisconsin's Tax Incremental District Number 12 (the District), which comprise the balance sheet as of December 31, 2022, and the historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of Wisconsin State Statutes Section 66.1105 and the project plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the City Council, management, the Wisconsin Department of Revenue, and overlapping taxing districts, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024



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To the City Council  
City of Two Rivers  
Two Rivers, Wisconsin

We have audited the financial statements of the City of Two Rivers Tax Incremental District Number 12 (the District) as of and for the year ended December 31, 2022 and from the date the District was created through December 31, 2022, and have issued our report thereon dated January 22, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit in our statement of work for audit services dated January 11, 2024. 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 the District are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2022.

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

*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 did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***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.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated January 22, 2024.

***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.

***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.

***Other audit findings or issues***

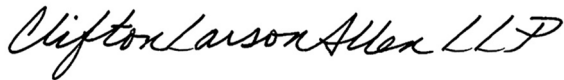
We have provided a separate communication to you dated January 22, 2024, communicating compliance with requirements of tax incremental financing district laws and regulations.

**Supplementary information in relation to the financial statements as a whole**

With respect to the schedule of financial transactions (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 financial reporting provisions of the Wisconsin Department of Revenue, 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 January 22, 2024.

\* \* \*

This communication is intended solely for the information and use of the City Council and management of the District, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
January 22, 2024



## TWO RIVERS WISCONSIN

January 22, 2024

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 (the City) Tax Incremental District Number 12 (the District), as of December 31, 2022 and from the date of creation through December 31, 2022, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than generally accepted accounting principles 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 January 22, 2024, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, and the related notes to the financial statements.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 11, 2024, for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.
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. There are no significant assumptions used by us in making accounting estimates.
5. 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 accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. We have not identified or been notified of any uncorrected financial statement misstatements.
8. 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 the accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

**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.
  - e. All communications from the State of Wisconsin or underlying taxing jurisdictions concerning compliance with, or deficiencies in, compliance with Wisconsin Statutes related to tax increment districts.
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, 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, and we have not consulted a lawyer concerning litigation, claims, or assessments.
  8. There are no known related-party relationships or transactions which need to be accounted for or disclosed.
  9. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the District, 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.
  10. 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.
  11. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  12. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
  13. Project costs and uses of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  14. Project revenues and sources of funds have been appropriately classified in accordance with the requirements prescribed by Wisconsin State Statutes Section 66.1105 and the project plan.
  15. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
  16. We acknowledge our responsibility for presenting the schedule of financial transactions (the supplementary information) in accordance with the requirements of the Wisconsin Department of Revenue, and we believe the supplementary information, including its form and content, is fairly presented in accordance with the requirements of the Wisconsin Department of Revenue. 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.

17. 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.

Signature:  Title: City Manager

Signature:  Title: FINANCE DIRECTOR

**City of Two Rivers, Wisconsin**  
**SCHEDULE OF EXPENDITURES AND SOURCE OF FUNDS**  
**April 12, 2022 – December 31, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

**City of Two Rivers, Wisconsin**

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## INDEPENDENT ACCOUNTANTS' REPORT

City Council and Management  
 City of Two Rivers

We have examined management of the City of Two Rivers, Wisconsin's assertion that the city complied with Wisconsin § 238.03(3)(a) and that the expenditures funded by Contract No. CDI FY22-53218 and any matching or in-kind expenditures, as identified in the Wisconsin Economic Development Corporation (WEDC) schedule of expenditures form for the period from April 12, 2022 to December 31, 2023, were expended in accordance with the terms of the contract. The City of Two Rivers, Wisconsin's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the City of Two Rivers, Wisconsin's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City of Two Rivers, Wisconsin's compliance with specified requirements.

In our opinion, management's assertion that the City of Two Rivers, Wisconsin complied with Wisconsin § 238.03(3)(a) and that the expenditures funded by contract No. CDI FY22-53218 and any matching or in-kind expenditures, as identified in the Wisconsin Economic Development Corporation (WEDC) schedule of expenditures form for the period from April 12, 2022 to December 31, 2023, is fairly stated, in all material respects.

This report is intended solely for the information and use of the City Council, management and the Wisconsin Economic Development Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
 January 23, 2024

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Two Rivers, WISCONSIN

SCHEDULE OF EXPENDITURES AND SOURCE OF FUNDS

April 12, 2022 to December 31, 2023

	April 12, 2022 to December 31, 2023						
	Budget as Approved			Actual Expenses			
	Total Budget	CDI Grant	Public/Private Funds	Total Expenses	CDI Grant	Public/Private Funds	Questioned Costs
Renovation	<u>\$ 1,486,871</u>	<u>\$ 250,000</u>	<u>\$ 1,236,871</u>	<u>\$ 676,992</u>	<u>\$ 125,000</u>	<u>\$ 551,992</u>	<u>\$ -</u>
<b>Total</b>	<u>\$ 1,486,871</u>	<u>\$ 250,000</u>	<u>\$ 1,236,871</u>	<u>\$ 676,992</u>	<u>\$ 125,000</u>	<u>\$ 551,992</u>	<u>\$ -</u>

The notes to the financial statement are an integral part of this statement.

NOTES TO FINANCIAL STATEMENT

April 12, 2022 to December 31, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

City of Two Rivers received a Community Development Investment Grant (Contract No. CDI FY22-53218) from the Wisconsin Economic Development Corporation (WEDC). In conjunction with this agreement, the City was awarded a grant up to \$250,000 to be utilized for eligible costs for brewery renovations. Expenditures included on the Schedule of Expenditures and Source of Funds include acquisition to be paid for by the City. All eligible costs not covered by the CDI Funds are reported in the column headed, City Match. In order to receive the full grant award, the City is required to match at least \$750,000 by December 31, 2023 (project end date).

**Basis of Accounting**

The City's Schedule of Expenditures and Source of Funds related to CDI Funds is accounted for using the accrual basis of accounting. The revenues are recognized when earned, and the expenses are recognized when incurred.

**Reporting Entity**

The statement of costs claimed and source of funds includes only the activities of the City related to an eligible renovation project. It does not include other activities of the City.

*This information is an integral part of the financial statement.*



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---MEMORANDUM---

**MEMO TO:** City Council

**FROM:** Gregory E. Buckley  
City Manager



**DATE:** February 16, 2024

**SUBJECT:** Proposed Amendment to Development Agreement With YBR properties, LLC

In follow-up to discussion with Kip Golden of CR Structures/YBR Properties, LLC at the November 27, 2023 Council work session, I am requesting that the Council consider approval of an amendment—the third such amendment—to the Tax Incremental Financing, Property Sale, Cash Grant and Developer’s Performance Agreement with YBR Properties, LLC.

That Agreement, originally approved by the City Council in November 22, 2022, includes terms for YBR Properties, LLC to purchase from the City a portion of the former Eggers Industries downtown plant site on the East Twin River for construction of “The Confluence,” a proposed 71-unit market rate apartment building. The Agreement also provides terms for City Assistance for this project from Tax Incremental District No. 16.

The proposed amendment does not change the financial terms contained in the original Agreement, but does extend several deadline dates contained in the Agreement to reflect the need for additional time to get final financing in place and to get construction underway. The proposed changes are summarized in the attached table. I am also attaching a copy of the Original Agreement, with deadline dates highlighted.

If this amendment is approved, there are a couple of significant deadline dates that will come up in the near future:

- Deadline of March 31, 2024 for submittal of final project cost breakdown and proof of financing (purchase of the Phase 1 development site needs to closed within 30 days following completion of this requirement)
- Deadline of May 15, 2024 for project commencement

Based on the revised project timeline, I also recommend extending by about one year the deadline for the Developer to exercise its option on the balance of the development site (Phase 2 area). The original Agreement provided for this to be accomplished within three years following the signing of the Agreement, which would be December 22, 2025. I am recommending that be extended to December 31, 2026.



We are all eager to see development on this site. But there is no question that increased interest rates and construction costs over the past several years have posed some real challenges to the developer. And the scope of the proposed project (Phase 1) has grown, from a 50-unit building with an estimated cost of at least \$10 million to a 71 unit building with an estimated \$20 million price tag. Based on these challenges, staff believes that requested extensions are warranted.

So, while I do recommend City Council approval of these changes, as requested by the Developer, I have also advised the Developer that I will not recommend any further extensions to the City Council unless the Developer is willing to make a significant non-refundable deposit to secure its ability to purchase and develop the site. Otherwise, the City needs to resume marketing of this prime waterfront property.

<b><u>Deadline for:</u></b>	<b><u>Location(s) in Agreement</u></b>	<b><u>January 23, 2023 Amendment No. 1</u></b>	<b><u>June 5, 2023 Amendment No. 2</u></b>	<b><u>February 19, 2024 Amendment No. 3</u></b>
Developer's Submission of Site and Architectural Plans to the City	Section 2.A., pages 4-5 Section 3.B., pages 11-12	March 1, 2023	September 1, 2023	No change; complete
Design Plans for Estimating Purposes and Land Division	N/A—Not in original Agreement or Amendment No. 1	N/A	July 1, 2023	No change; complete
Developer's Submission of Project Cost Breakdown	Section 2.A., page 5 Section 3.A., page 11	May 1, 2023	August 1, 2023	March 31, 2024
Developer's Submission Of Proof of Project Financing	Section 2.A., page 5 Section 3.A., page 11	May 1, 2023	September 1, 2023	March 31, 2024
Project Commencement	Definitions, page 3	July 1, 2023	October 1, 2023	May 15, 2024
Project Completion	Definitions, page 3	December 31, 2024	May 1, 2025	December 1, 2025
Purchase of Second Parcel Of Development Site (Originally 3 years following signing of Agreement, or December 22, 2025)	Section 2.B., pages 6-7	Not Changed	Not Changed	December 31, 2026

TAX INCREMENTAL FINANCING PROPERTY SALE,  
CASH GRANT AND DEVELOPER'S PERFORMANCE AGREEMENT

RE: MULTI-FAMILY DEVELOPMENT YBR PROPERTIES, LLC AT THE EAST TWIN  
RIVER, CITY OF TWO RIVERS, WISCONSIN

This TAX INCREMENTAL FINANCING PROPERTY SALE, CASH GRANT AND DEVELOPER'S PERFORMANCE AGREEMENT (this "*Agreement*") is entered into as of the 22nd day of December, 2022 (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 The Confluence, LLC, a Wisconsin limited liability company, having offices at 327 Randolph Drive, Appleton, WI 54913 ("*Developer*").

WITNESSETH:

**WHEREAS**, the Developer desires to purchase a parcel of real property located on East River Street from the City of Two Rivers, Wisconsin; said parcel is to be created by a division of the parcel identified as Lot 2 of a certified survey map filed January 10, 2022 with the Manitowoc County Register of Deeds and recorded as Document Number 1246403, Volume 35, Page 311, such certified survey map is attached hereto as Exhibit A (the "*Development Site*"); and

**WHEREAS**, the City desires to sell said Development Site and to encourage the development of the Development Site as set forth in a resolution of the City Council dated August 2, 2021 (the "*TID Comfort Resolution*"); and

**WHEREAS**, the City Council has by resolution dated, September 27, 2021 (the "*TID 16 Creation Resolutions*"), adopted the City of Two Rivers Tax Incremental District (TID) No. 16 and *TID 16 Project Plan*, which includes the goal of blight elimination and redevelopment of the Development Site as well as providing for certain other expenditures within one-half mile of the boundaries of TID 16; 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 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 \$ 84,732. Such amount is the City's good faith estimate of its cost of funds for providing the Developer Grant, assuming a 20-year borrowing at 7.0% annual interest.
  - (2) **"Available Tax Increment"** means, for any given Revenue Year, an amount equal to: (a) the Tax Increment attributable to the Development Site minus (b) any past-due Shortfall Payment amounts (or unpaid interest owed on any Shortfall Payment) as of January 1 of such Revenue Year, minus (c) 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~~2024 based on the assessed value of the Development Site as of January 1, ~~2023~~2024. The base taxes are \$0 as the Development Site ~~was is~~ a City owned property ~~will still be owned by the City~~ on January 1, 2023.
  - (4) **"City Assistance"** means the Developer Grant, the TIF Grant and the Performance Incentive, all as more particularly described herein.
  - (5) **"Development Site"** is defined in the Recitals above, attached hereto as **Exhibit A**.
  - (6) **"Developer Grant"** means a cash grant from the City to the Developer from TID 16, in the amount of \$900,000 as described herein.
  - (7) **"Guaranteed Revenue"** means, for Revenue Year ~~2026~~2027 through Revenue Year 2048, 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. The Annual Cost of Funds Payment portion of the Guaranteed Revenue is only applicable until the City has been made whole for the Developer Grant (inclusive of borrowing costs) and other costs incurred by TID 16.

- (8) **"Memorandum"** means a short form memorandum of this Agreement recorded in the real estate records. The parties agree that the form of memorandum attached hereto as **Exhibit B** is acceptable to both parties.
- (9) **"Mortgage"** means a mortgage of the Development Site by Developer to secure the Shortfall Payments and Clawback Payment in the form attached hereto as **Exhibit C**.
- (10) **"Performance Incentive"** means an addition to the TIF Grant, subject to terms further set forth herein.
- (11) **"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.
- (12) **"Project"** means the construction of a market rate multi-family development on the Development Site, along with related site improvements, public walkway, shoreline restoration, and landscaped areas, on the Development Site.
- (13) **"Project Commencement Deadline"** means ~~May 1, 2023~~ May 15, 2024.
- (14) **"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.
- (15) **"Project Completion Deadline"** means December 31, 2024 ~~2025~~.
- (16) **"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.
- (17) **"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.
- (18) **"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~~ 2027 through 2048.
- (19) **"Shortfall Payment Deadline"** means June 1 of each Revenue Year.

(20) **“Tax Year”** means each calendar year for which real and personal property taxes are levied.

(21) **“TIF Grant”** means a “pay as you go” grant of the Available Tax Increment for development of the Project in the amount of \$900,000.

(22) **“TIF Grant Installment Amount”** for each Revenue Year (commencing in Revenue Year ~~2026~~2027) means the Available Tax Increment for such Revenue Year which has been appropriated by the City Council to payment of the TIF Grant provided, however, that in no event shall the cumulative total of all such TIF Grant Installment Amount payments exceed the total TIF Grant.

(23) **“TIF Grant Payment Deadline”** means December 1, ~~2026~~2027, for Revenue Year 2026, and on each anniversary thereof for each subsequent Revenue Year.

**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 the Developer and a fully -signed copy of the Agreement provided back to back to the City by December 23, 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 referenced herein and the City shall have no obligation to make the Developer Grant or the TIF Grant 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. Sale of Development Site to the Developer**

Development Site is a portion of a parcel identified as Lot 2 of a certified survey map filed January 10, 2022 with the Manitowoc County Register of Deeds and recorded as Document Number 1246403, Volume 35, Page 311, attached hereto as Exhibit A (hereinafter, said Lot 2 is referenced as the “Parent Parcel”).

Developer shall, not later than January 1, 2023, submit Site and Architectural Plans for the Project for review and approval by the City’s Plan Commission as provided in Section 11-1-10 of City Ordinances. Said Site and Architectural Plans shall also be subject to the approval of the City Council. Approval by the City Council shall not only be contingent upon the City Council determining that design of the building(s), building materials and color, site layout and access to the proposed development from public right-of ways are acceptable to the City, but also a determination there is an area proposed for retention by the City for public access and shoreline improvements per condition (1.) below that is deemed, in the City Council’s sole discretion, to adequately allow for such public access and shoreline improvements.

That portion of the Parent parcel to be conveyed by the City to the Developer as the Development Site shall be identified on said Site and Architectural Plans and must comply with the following conditions:

(1.) Parent Parcel shall first be divided to exclude a strip of land abutting the East Twin River, which shall be retained by the City for public access and shoreline improvements, and determined by the City Council to be adequate for such purposes, as previously described. That strip of land shall be combined with Lot 1 of CSM, the site of a municipal storm water pond which is owned by the City

(2.) The remainder of the Parent Parcel, after excluding the riverfront strip of land to be retained by the City, shall be divided into two parcels in a manner proposed by the Developer in its Site and Architectural Plans, provided:

- a. The dividing line between said parcels shall be perpendicular to the East River Street right-of-way.
- b. The parcel to be purchased by the Developer (Development Site) shall abut Lot 1 of CSM and its area shall not exceed 60 percent of land area of the Parent Parcel as reduced by the area of the riverfront strip of land addressed in (1.) above.

The purchase price for said Development Site shall be determined by calculating its land area, then dividing that figure by the land area the Parent Parcel as modified per (1.) above, and multiplying the result by \$200,000. By way of example, if the Development Site's land area comprises 55 percent of the Parent Parcel (after first subtracting the area of the riverfront strip from the area of the Parent parcel), the purchase price shall be \$110,000.

The City shall convey the Development Site to the Developer within 30 days after the Developer has obtained the following City approvals with respect to the Project:

A, Approval of Site and Architectural Plans by the Plan Commission and City Council, as further described in Section 3.B. of this Agreement. Such Site and Architectural Plans must be provided to the City by the Developer not later than January 1, 2023; and

B. Approval of the Project Cost Breakdown and Proof of Project financing, as further described in Section 3.A. of this Agreement, by the City Council, The Project Cost Breakdown and Proof Project Financing must be provided to the City by the Developer not later than ~~March 1, 2023~~ March 31, 2024.

Conveyance shall be by special warranty deed for the purpose identified herein. Conveyance will be pursuant to a Purchase Agreement substantially similar to the sample Purchase Agreement attached hereto as **Exhibit D**. The transfer of the City Property will

be “AS-IS” without any representations or warranties from the City, other than warranty of title via a special warranty deed. Developer shall, at its sole expense, complete such studies, testing, surveys and other due diligence as Developer deems necessary to determine the condition of the Development Site and its suitability for the Project. Any reports, surveys or studies provided by the City with respect to the Development Site were solely for the Developer's convenience and provided without warranty or assurances as to their accuracy. DEVELOPER ACKNOWLEDGES AND AGREES THAT DEVELOPER WILL HAVE SUFFICIENT OPPORTUNITY TO INSPECT THE DEVELOPMENT SITE PRIOR TO CLOSING AND THAT THE CITY IS CONVEYING AND THE DEVELOPER IS ACCEPTING THE DEVELOPMENT SITE ON AS "AS-IS WITH ALL FAULTS" BASIS AND THAT DEVELOPER IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE CITY OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE DEVELOPMENT SITE. AS A PART OF ITS AGREEMENT TO ACCEPT THE DEVELOPMENT SITE IN ITS "AS IS" CONDITION, DEVELOPER, FOR ITSELF AND ITS SUCCESSORS, ASSIGNS, AGENTS, EMPLOYEES, CONTRACTORS, AND INVITEES, HEREBY WAIVES, DISCHARGES AND RELEASES THE CITY FROM ANY AND ALL DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, PENALTIES, FINES, LIENS, JUDGEMENTS, COSTS OR EXPENSES WHATSOEVER, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY MAY BE CONNECTED WITH OR RELATED TO THE PHYSICAL GEOLOGICAL OR ENVIRONMENTAL CONDITION OF THE DEVELOPMENT SITE, INCLUDING, WITHOUT LIMITATION, ANY PAST OR PRESENT CONDITION OF OR ACTION ON OR ABOUT THE DEVELOPMENT SITE (INCLUDING, WITHOUT LIMITATIONS THE PRESENCE OF HAZARDOUS OR TOXIC MATERIALS AT, UNDER OR IN THE GENERAL VICINITY OF THE DEVELOPMENT SITE OR THE CURRENT OR PREVIOUS VIOLATION OF ENVIRONMENTAL LAWS AT THE DEVELOPMENT SITE, IF ANY.

Developer agrees that the Memorandum shall be recorded immediately after the deed from the City is recorded and prior to any mortgage, including the Mortgage.

Developer shall also execute the Mortgage at Closing and promptly record the Mortgage as a lien against the Development Site before any other mortgage (except as otherwise agreed herein).

**B. Option for Developer to Purchase Remainder of Parent Parcel**

(1) The City of Two Rivers shall maintain ownership that portion of the Parent Parcel not purchased by Developer as the Development Site (hereinafter the “Remainder Parcel”). The Developer shall have an exclusive option to purchase the Remainder Parcel (less the strip of riverfront land retained by the City) from the City, provided that Developer notifies the City of its intent to exercise such option by December 31, 2026 ~~within three~~



~~(3) years following the date of this Agreement~~ and further provided that closing on said purchase shall occur within 60 days following such notice.

(2) Sale of said Remainder Parcel shall be contingent upon Developer having commenced construction of the Project on the Development Site and upon Developer being in full compliance with the terms of this Agreement.

(3) Purchase price for the Remainder Parcel shall be \$200,000, minus the amount paid to the City by the Developer for the Development Site.

(4) Conveyance of the Remainder Parcel to the Developer shall include provision for the City to buy back the Remainder Parcel from Developer for the sale price paid by the Developer, if Developer has not within 18 months following Developer's closing on the Remainder Parcel obtained all necessary approvals and permits, secured all necessary project financing and commenced construction of a second multi-family residential structure with floor area of at least 25,000 square feet on said Remainder Parcel. Closing on the sale of the Remainder Parcel back to the City shall occur within 30 days of the City providing written notice to the Developer of the City's intent to exercise this provision.

(5) The City agrees to provide as a part of this land purchase, all testing data and studies that have been completed to date for said Remainder Parcel.

The sale of the Remainder Parcel will be "AS-IS" without any representations or warranties from the City, in kind, expressed or implied, including, without limitations, as to its condition or suitability for development. Developer shall, at its sole expense, complete such studies, testing, surveys, and any other due diligence as developer deems necessary to determine the condition of the Remainder Parcel and its suitability for the any uses planned by Developer. Any reports, surveys or studies provided by the City with respect to the Remainder Parcel were solely for the Developer's convenience and provided without warranty or assurances as to their accuracy. DEVELOPER ACKNOWLEDGES AND AGREES THAT DEVELOPER WILL HAVE SUFFICIENT OPPORTUNITY TO INSPECT THE REMAINDER PARCEL PRIOR TO CLOSING AND THAT THE CITY IS CONVEYING AND THE DEVELOPER IS ACCEPTING THE REMAINDER PARCEL ON AS "AS-IS WITH ALL FAULTS" BASIS AND THAT DEVELOPER IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE CITY OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE REMAINDER PARCEL. AS A PART OF ITS AGREEMENT TO ACCEPT THE REMAINDER PARCEL IN ITS "AS IS" CONDITION, DEVELOPER, FOR ITSELF AND ITS SUCCESSORS, ASSIGNS, AGENTS, EMPLOYEES, CONTRACTORS, AND INVITEES, HEREBY WAIVES, DISCHARGES AND RELEASES THE CITY FROM ANY AND ALL DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, PENALTIES, FINES, LIENS, JUDGEMENTS, COSTS OR EXPENSES WHATSOEVER, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT

OF OR IN ANY WAY MAY BE CONNECTED WITH OR RELATED TO THE PHYSICAL GEOLOGICAL OR ENVIRONMENTAL CONDITION OF THE REMAINDER PARCEL, INCLUDING, WITHOUT LIMITATION, ANY PAST OR PRESENT CONDITION OF OR ACTION ON OR ABOUT THE REMAINDER PARCEL (INCLUDING, WITHOUT LIMITATIONS THE PRESENCE OF HAZARDOUS OR TOXIC MATERIALS AT, UNDER OR IN THE GENERAL VICINITY OF THE REMAINDER PARCEL OR THE CURRENT OF PREVIOUS VIOLATION OF ENVIRONMENTAL LAWS AT THE REMAINDER PARCEL, IF ANY.

(6) The City makes no representations regarding any financial assistance to Developer for development of the Remainder Parcel. The City reserves the right to pursue an amendment to the boundaries of TID 16, to remove the Remainder Parcel from TID 16.

**C. Developer Grant from Tax Incremental District 16**

(1) The City has, by Resolution dated September 27, 2021, approved the TID 16 Project Plan. The purpose of TID 16 is to eliminate blight and support redevelopment of the Development Site. Eligible project costs identified in the TID 16 Project Plan include a developer cash grant to assist in construction of multi-family housing on the Development Site.

(2) The City hereby agrees to provide Developer with such cash grant from TID 16, in the amount of \$900,000 (the Developer Grant as defined above), subject to the conditions set forth herein. Disbursement of said Developer Grant. It is subject to the Developer’s continued compliance with all terms and conditions herein. Further, the Developer Grant shall be disbursed in four (4) equal installments of \$225,000 each as follows:

**Installment One** disbursed within ten (10) days following the completion of a, b, c, d, and e below:

- a. Developer providing a complete and accurate Project Cost Breakdown and proforma to the City and acceptance of same by the City.
- b. Approval of Site and Architectural Plans for the project by the City’s Plan Commission as provided in Section 11-1-10 of City Ordinances. This shall include design of the building(s), approval of building materials and color, site layout and access to the proposed development from public right-of ways, and to the future public access waterfront easement along the East Twin River.
- c. City Council approval of said Site and Architectural Plans.
- d. Developer closing on the purchase of the Development Site.
- e. Developer recording the Memorandum and Mortgage with respect to the parcel that constitutes the Development Site.

**Installment Two** disbursed within ten (10) days following the completion of item f. below:

f. Developer providing documentation, to the City's satisfaction, that Developer has paid at least \$2,500,000 in project costs from equity or private loan funds. Developer shall provide invoices and documentation of paid receipts to the City for proof of expenditures applied toward the construction of the project, along with appropriate contractor lien waivers or releases.

**Installment Three** disbursed within ten (10) days following completion of g:

g. Developer providing documentation, to the City's satisfaction, that Developer has paid at least \$5,000,000 in project costs from equity or private loan funds. Developer shall provide invoices and documentation of paid receipts to the City for proof of expenditures applied toward the construction of the project, along with appropriate contractor lien waivers or releases.

**Installment Four** disbursed within ten (10) days following completion of h, i, and j:

- h. Upon completion of construction of the Project, meeting all requirements for Project Completion as defined herein.
- i. Developer shall have paid all costs associated with such construction and obtained waivers or releases of any contractor liens related to such construction.
- j. Developer shall have provided satisfactory documentation of all the foregoing to the City as determined by the City in its sole discretion.

(3) If Project Completion is not achieved on or prior to the Project Completion Deadline or if the Project is not constructed in substantial compliance, as determined by the City in its sole discretion, with the plans and specifications that Developer provided to the City pursuant to the Agreement or the consents, approvals or permits issued by any governmental authority with respect to the construction of the Project, then the City may demand payment from the Developer of the entire amount of the Developer Grant paid to the Developer hereunder (the "**Clawback Payment**"), which Developer shall pay to the City within ten (10) days after such demand. The City's right to the Clawback Payment shall survive the termination of the Agreement, the transfer of the Development Site, or any portion thereof, or the assignment of the Agreement. Any portion of the Clawback Payment not paid when due shall bear interest at the rate of 12.0% per annum from due date until paid.

**D. TIF Grant.**

(1) Provided that: (a) Developer is not in default of its obligations under this Agreement; (b) Project Completion was achieved on or prior to the Project Completion Deadline; and (c) the Project is constructed in substantial compliance, as determined by the City in its sole 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, the City shall pay to Developer the TIF Grant in installments each Revenue Year beginning in ~~2026~~2027 based on the Available Tax Increment for such Revenue Year and subject to the terms and conditions below and in the remainder of this Agreement.

(2) 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~~2027 (based on the Available Tax Increment generated in Tax Year ~~2025~~2026) 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 Installment Amount for the respective Revenue Year; provided, however, that the City may, at its option and in its sole discretion, prepay the TIF Grant in whole or in part at any time. If the total TIF Grant Installment Amount 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 2048 (based on the Available Tax Increments generated in 2047), then the TIF Grant 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. .

(3) The amount of the TIF Grant shall not exceed \$900,000. No interest rate shall be applied to the amount owed the Developer under the TIF Grant.

(4) The City makes no representation or covenant, express or implied, that Available Tax Increments will be generated or that they will be sufficient to pay, in whole or in part, the TIF Grant. All Tax Increments received by the City which are not appropriated to pay the TIF Grant may be used by the City for any legally permitted purpose, in its sole discretion. The application of Available Tax Increments 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 Increments 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.

**E. Performance Incentive**

A Performance Incentive will be paid to the Developer within the parameters defined below and if the conditions defined herein are met.

The City agrees to pay the Developer annually, starting in Revenue Year ~~2026~~2027, a Performance Incentive payment equal to 50% of annual tax increment revenue received by the City and attributable to the Project that is in excess of the amount shown in

Column e of the Tax Increment District No. 16 Cash Flow Proforma Analysis that is attached hereto as Exhibit E. For Revenue Year 20262027 and all subsequent years, this amount is \$145,318. Said Performance Incentive Payment shall be an addition to the amount of the TIF Grant.

Total Performance Incentive payments shall not in aggregate exceed \$450,000.

The Performance Incentive, if any, shall be paid to the Developer on or before December 1, 20262027 and continuing on or before each December 1 thereafter for a period of time not to exceed 10 years, or until the total of such payments equals \$450,000, whichever comes first.

The City makes no representation or covenant, express or implied, that Available Tax Increments will be generated or that they will be sufficient to pay, in whole or in part, the Performance incentive payments. All Tax Increments received by the City which are not appropriated to pay the Performance Incentive payments may be used by the City for any legally permitted purpose, in its sole discretion. The application of Available Tax Increments to payment of the Performance Incentive payments 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 Increments 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.

**F. No Additional Assistance.** Developer understands and agrees that the City's assistance with the Project is limited to the City Assistance described herein and other matters expressly provided herein. Developer shall be responsible for and shall pay directly all other costs associated with the development, construction and operation of the Project.

**3. OBLIGATIONS OF DEVELOPER**

**A. Securing 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, than the date of closing on the purchase of the Development Site and shall provide proof of such financing to the City along with the Project Cost Breakdown, not later than March 1, 2023 March 31, 2024. For reference, Developer's preliminary Project budget is attached hereto as **Exhibit F**.

**B. Site and Architectural Plan Approval**  
In addition to the Site and Architectural Plan Approval by the City's Plan Commission as provided in Section 11-1-10-C of City Ordinances, final design and site plans for the Project are subject to review and approval by the City Council, prior to issuance of the

building permit for the Project. This approval shall not be unreasonably withheld. Per Section 2, Paragraph A of this Agreement, such Site and Architectural Plans are to be provided to the City by the Developer not later than ~~January 1, 2023~~ September 1, 2023.

**C. Construction and Operation of the Project**

(1) Developer shall: (a) promptly and reasonably proceed to contract with a general contractor to commence construction of the Project following the approvals described in this Agreement and not 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 federal, state and local plan approvals.

(2) Developer shall expend on the Project an amount equal to not less than ~~\$1318~~ million, including land acquisition and preparation, architectural and engineering services, 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 releases or waivers.

(3) Developer will conform and comply with, will cause the Project to be in conformance and compliance 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. 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.

(4) After Project Completion, the Project shall be a market rate multi-family development containing at least ~~5070~~ residential units and the Developer shall not modify the use of the Project without the City's prior written consent. Developer shall maintain the physical condition of the Project and the Property in a reasonable manner. Developer shall not change the design of the project without the City's prior review. This subsection shall be in effect until the completion of the Guaranteed Revenue requirement.

(5) Building Property Maintenance. For operation of the completed project, the Developer shall provide the City with the identity and provide contact information of the management company that will serve this property when it is completed.

**D. 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 full, in a timely manner but in no event later than June 1 of any Revenue Year in which property taxes are due. 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

(June 1, as stated herein) 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.

**E. Memorandum.**

Developer agrees to promptly record the Memorandum with respect to the parcel of the Development Site at the closing of its purchase and acquisition of the Development Site. Developer shall provide the City with evidence of the relative priority of the Memorandum which is reasonably acceptable to the City.

**F. Tax Exemption Forbearance.**

Developer agrees that commencing with the first calendar year in which the Project is fully assessed, neither Developer nor any existing or future Affiliate or related entity of Developer will pursue, assist, support, or be involved in any federal, state, or local, judicial, legislative, or regulatory action or process that seeks, directly or indirectly, to prohibit, set aside, or limit the taxability of all or any portion of the Properties on any basis whatsoever, and Developer for itself and on behalf of Developer Affiliates, and each of their respective successors in interest, waives any and all rights thereto for the life of TID 16. In addition, during the period of time that commences upon the date of this Agreement and terminates at the end of the TID 16, neither the Property(ies), the Project nor any part thereof or interest therein will be sold, transferred, leased, assigned, gifted, owned, used, or conveyed in any way to any person, partnership, organization, or entity that is all or partially exempt from federal, State of Wisconsin, or local real or personal property taxes, without the express prior consent of the City, which such consent may be withheld in the City's sole and absolute discretion (collectively, the "Restrictive Covenant"). This Restrictive Covenant will be recorded with the Register of Deeds for Manitowoc County and will permit the City to have enforcement rights. Notwithstanding anything to the contrary contained herein, the Restrictive Covenant will automatically terminate upon the termination of TID 16.

**G. Mortgage**

Developer shall execute and record the Mortgage with respect to the entirety of the Development Site prior to commencement of construction of the Project. The Mortgage shall be superior to all other mortgages recorded with respect to the Development Site and Developer shall provide the City with evidence of the same which is reasonably acceptable to the City.

**4. REPRESENTATIONS AND WARRANTIES**

**A. Representations and Warranties of the City.** The City makes the following representations and warranties:

(1) The City has the requisite power and authority and legal right to enter into this Agreement and to perform the transactions contemplated hereby.

(2) 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.

(3) 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:

(1.) The Developer has the full power and authority to enter into this Agreement and to perform its obligations hereunder.

(2) The Developer is a Wisconsin limited liability company, duly organized, validly existing and in active status under the laws of that state. 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.

(3) 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 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.

**B. 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.

**C. 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.

**D. 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.

**E. Enforcement Costs.** In the event any proceeding is commenced as a result of a default under this Agreement, the prevailing party shall be entitled to recover its reasonable costs and expenses (including but not limited to reasonable attorneys' fees) incurred in enforcing the terms and provisions of this Agreement.

**F. Force Majeure.** For the purposes of any provisions of the Agreement, a party shall not be considered in breach or default of its obligations in the event of enforced delay in the performance of such obligations due to causes beyond its reasonable control and without its fault or negligence, including but not restricted to acts of God, acts of public enemy, acts of adjoining property owners, governmental authority, fires, floods, epidemics, quarantine restrictions, strikes, embargoes, unavailable materials, and unusually severe weather; it being the parties' purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times of performance of any of the obligations of the particular party shall be extended for the period of the enforced delay.

**6. TERM**

The term of this Agreement (the "*Term*") shall be for a period commencing upon the Effective Date of this Agreement and expiring on the earlier of: (i) December 31, 2048; or (ii) the expiration of the term of existence of TID 16.

**7. NOTICES AND DEMANDS**

A notice, demand or other communication under this Agreement by either Party to the other Party shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally and:

In the case of Developer:                   The Confluence, LLC  
327 Randolph Dr.  
Appleton, WI 54913

In the case of the City:                   City of Two Rivers  
1717 East Park Street  
Two Rivers, WI 54241  
Attn: City Clerk

**8. DISCLOSURE OF MEMBERS/ASSIGNMENT BY DEVELOPER**

The Developer represents that at the time it enters into this Agreement, it has only one member. That member is Kip N. Golden. It further represents that it is intended that the number of its members will be expanded subsequently. The Developer agrees that it shall provide to the City the name and address of any new member of the Developer at the time membership is obtained.

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 to assign this Agreement or convey the Development Site before the Project Completion Date, without the City's consent but with notice to the City, to a limited liability company having the same members as the Developer at the time of assignment or conveyance, and shall have the right to mortgage or otherwise encumber the Development Site to finance the construction of the Project, as provided herein.

If the Developer assigns this Agreement or the Development site to another limited liability company prior to the Project Completion Date, it shall provide verification reasonably satisfactory to the City that the members of that limited liability company are the same as that of the Developer. No assignment of this Agreement shall serve to release Developer from any liability or obligations under this Agreement. After the Project Completion Date, the Developer may assign its interest in this Agreement or convey the Development Site without obtaining the consent of the City.

**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 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. If the Developer fails to comply with its obligations under this Section, Developer agrees that it shall indemnify and hold the City harmless for any and all claims, costs, damages, liabilities or judgments ("claims") against the City arising therefrom, including but not limited to costs and attorneys fees incurred by the City in defending itself from any such claims.

**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 or the Clawback Payment as 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.

**P. Good Faith and Fair Dealing.** Each party to this Agreement agrees that it has an enforceable duty and obligation to act in good faith in connection with all rights, duties, and obligations under the terms of this Agreement.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the Effective Date first written above.

**DEVELOPER:**

THE CONFLUENCE, LLC

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

Name: \_\_\_\_\_

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

**CITY:**

THE CITY OF TWO RIVERS, WISCONSIN

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

Name: Gregory E. Buckley

Title: City Manager

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

Name: Jamie Jackson

Title: City Clerk

**EXHIBIT A**

**MAP OF DEVELOPMENT SITE**

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**EXHIBIT B**  
**FORM OF MEMORANDUM**



**EXHIBIT C**  
**FORM OF MORTGAGE**



**EXHIBIT D**

**SAMPLE PURCHASE AGREEMENT**

**EXHIBIT E**

**TAX INCREMENTAL DISTRICT #16  
CASH FLOW PROFORMA ANALYSIS**

**EXHIBIT F**  
**DEVELOPER'S PRELIMINARY PROJECT BUDGET**

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING  
PARAMETERS FOR THE SALE OF NOT TO EXCEED \$3,020,000  
GENERAL OBLIGATION PROMISSORY NOTES

WHEREAS, the City Council hereby finds and determines that it is necessary, desirable and in the best interest of the City of Two Rivers, Manitowoc County, Wisconsin (the "City") to raise funds for public purposes, including paying the cost of street improvement projects, park projects, fire department equipment, public works equipment, city hall improvements, police equipment, landfill projects and public improvement projects in Tax Incremental District Nos. 12 and 14 (collectively, the "Project");

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

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

WHEREAS, it is the finding of the City Council that it is necessary, desirable and in the best interest of the City to authorize the issuance of and to sell the general obligation promissory notes (the "Notes") to Robert W. Baird & Co. Incorporated (the "Purchaser");

WHEREAS, the Purchaser intends to submit a note purchase proposal to the City (the "Proposal") offering to purchase the Notes in accordance with the terms and conditions to be set forth in the Proposal; and

WHEREAS, in order to facilitate the sale of the Notes to the Purchaser in a timely manner, the City Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to either the City Manager or the Finance/Administrative Services Director/Treasurer (each an "Authorized Officer") the authority to accept the Proposal on behalf of the City so long as the Proposal meets the terms and conditions set forth in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

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

Section 1. Authorization and Sale of the Notes; Parameters. For the purpose of paying costs of the Project, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the principal sum of not to exceed THREE MILLION TWENTY THOUSAND DOLLARS (\$3,020,000) from the Purchaser upon the terms and subject to the condition set forth in this Resolution. Subject to satisfaction of the condition set forth in Section 16 of this Resolution, the City Manager and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the City, Notes aggregating the principal amount of not to exceed THREE MILLION TWENTY THOUSAND DOLLARS

(\$3,020,000). The purchase price to be paid to the City for the Notes shall not be less than 96.50% of the principal amount of the Notes and the difference between the initial public offering price of the Notes and the purchase price to be paid to the City by the Purchaser shall not exceed 3.50% of the principal amount of the Notes, with an amount not to exceed 1.50% of the principal amount of the Notes representing the Purchaser's compensation.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes"; shall be issued in the aggregate principal amount of up to \$3,020,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to \$300,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Notes shall not exceed \$3,020,000. Any maturity or mandatory redemption payment may be eliminated, at the option of the City, if the amount of such maturity or mandatory redemption payment is less than or equal to \$300,000. The schedule below assumes the Notes are issued in the aggregate principal amount of \$3,020,000.

<u>Date</u>	<u>Principal Amount</u>
04-01-2025	\$180,000
04-01-2026	135,000
04-01-2027	280,000
04-01-2028	290,000
04-01-2029	305,000
04-01-2030	315,000
04-01-2031	325,000
04-01-2032	375,000
04-01-2033	400,000
04-01-2034	415,000

Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2025 or on such other date approved by the Authorized Officer in the Approving Certificate. The true interest cost on the Notes (computed taking the Purchaser's compensation into account) shall not exceed 5.00%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

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

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

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2024 through 2033 for the payments due in the years 2025 through 2034 in the amounts as are sufficient to meet the principal and interest payments when due.

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

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

Section 6. Segregated Debt Service Fund Account.

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

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Promissory Notes - 2024" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Notes; (ii) any premium which may be received by the City above the par value of the Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.



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

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

Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the City and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

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

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Notes and the ownership, management and use of the projects will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants

that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

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

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

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

Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by Associated Trust Company, National Association, Green Bay, Wisconsin, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the City Manager and City Clerk or other appropriate officers of the City to enter into a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other

things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Notes.

Section 13. Persons Treated as Owners; Transfer of Notes. The City shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

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

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

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

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

Section 16. Condition on Issuance and Sale of the Notes. The issuance of the Notes and the sale of the Notes to the Purchaser are subject to approval by the Authorized Officer of the principal amount, first interest payment date, definitive maturities, redemption provisions, interest rates and purchase price for the Notes, which approval shall be evidenced by execution by the Authorized Officer of the Approving Certificate.

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

Section 17. Official Statement. The City Council hereby directs the Authorized Officer to approve the Preliminary Official Statement with respect to the Notes and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by the Authorized Officer or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 18. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

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

Section 19. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

Section 20. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The City Manager and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the City Manager and City Clerk including provisions regarding restrictions on investment of Note proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the City Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded February 19, 2024.

\_\_\_\_\_  
Gregory E. Buckley  
City Manager

ATTEST:

\_\_\_\_\_  
Amanda Baryenbruch  
City Clerk

(SEAL)

EXHIBIT A

APPROVING CERTIFICATE

The undersigned [City Manager] [Finance/Administrative Services Director/Treasurer] of the City of Two Rivers, Manitowoc County, Wisconsin (the "City"), hereby certify that:

1. Resolution. On February 19, 2024, the City Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed \$3,020,000 General Obligation Promissory Notes of the City (the "Notes") to Robert W. Baird & Co. Incorporated (the "Purchaser") and delegating to me the authority to approve the Preliminary Official Statement, to approve the purchase proposal for the Notes, and to determine the details for the Notes within the parameters established by the Resolution.

2. Proposal; Terms of the Notes. On the date hereof, the Purchaser offered to purchase the Notes in accordance with the terms set forth in the Note Purchase Agreement between the City and the Purchaser attached hereto as Schedule I (the "Proposal"). The Proposal meets the parameters established by the Resolution and is hereby approved and accepted.

The Notes shall be issued in the aggregate principal amount of \$\_\_\_\_\_, which is not more than the \$3,020,000 approved by the Resolution, and shall mature on April 1 of each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule II and incorporated herein by this reference. The first interest payment date on the Notes shall be \_\_\_\_\_, 20\_\_\_. The amount of each annual principal or mandatory redemption payment due on the Notes is not more than \$300,000 more or less per maturity or mandatory redemption amount than the schedule included in the Resolution as set forth below:

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
04-01-2025	\$180,000	\$_____
04-01-2026	135,000	_____
04-01-2027	280,000	_____
04-01-2028	290,000	_____
04-01-2029	305,000	_____
04-01-2030	315,000	_____
04-01-2031	325,000	_____
04-01-2032	375,000	_____
04-01-2033	400,000	_____
04-01-2034	415,000	_____

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

3. Purchase Price of the Notes. The Notes shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of \$\_\_\_\_\_, plus accrued interest, if any, to the date of delivery of the Notes, which is not less than 96.50% of the principal amount of the Notes, as required by the Resolution.

The difference between the initial public offering prices provided by the Purchaser of the Notes (\$\_\_\_\_\_) and the purchase price to be paid to the City by the Purchaser (\$\_\_\_\_\_) is \$\_\_\_\_\_, or \_\_\_\_\_% of the principal amount of the Notes, which does not exceed 3.50% of the principal amount of the Notes. The portion of such amount representing Purchaser's compensation is \$\_\_\_\_\_, or not more than 1.50% of the principal amount of the Notes.

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

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

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

7. Approval. This Certificate constitutes my approval of the Proposal, and the principal amount, definitive maturities, first interest payment date, interest rates, purchase price and redemption provisions for the Notes and the direct annual irrevocable tax levy to repay the Notes, in satisfaction of the parameters set forth in the Resolution.

IN WITNESS WHEREOF, I have executed this Certificate on \_\_\_\_\_, 2024 pursuant to the authority delegated to me in the Resolution.

\_\_\_\_\_  
Gregory E. Buckley  
City Manager

**OR**

\_\_\_\_\_  
David Buss  
Finance/Administrative Services Director/Treasurer

COPY



SCHEDULE I TO APPROVING CERTIFICATE

Proposal

To be provided by the Purchaser and incorporated into the Certificate.

(See Attached)

COPY

SCHEDULE II TO APPROVING CERTIFICATE

Pricing Summary

To be provided by the Purchaser and incorporated into the Certificate.

(See Attached)

COPY

SCHEDULE III TO APPROVING CERTIFICATE  
Debt Service Schedule and Irrepealable Tax Levies

To be provided by the Purchaser and incorporated into the Certificate.

(See Attached)

COPY

[SCHEDULE MRP

Mandatory Redemption Provision

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

For the Term Bonds Maturing on April 1, 20

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

For the Term Bonds Maturing on April 1, 20

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

For the Term Bonds Maturing on April 1, 20

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

For the Term Bonds Maturing on April 1, 20

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

EXHIBIT B

(Form of Note)

REGISTERED	UNITED STATES OF AMERICA	DOLLARS
	STATE OF WISCONSIN	
	MANITOWOC COUNTY	
NO. R-___	CITY OF TWO RIVERS	\$_____
	GENERAL OBLIGATION PROMISSORY NOTE	

MATURITY DATE:	ORIGINAL DATE OF ISSUE:	INTEREST RATE:	CUSIP:
April 1, _____	_____, 2024	_____%	_____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

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

FOR VALUE RECEIVED, the City of Two Rivers, Manitowoc County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on [April 1, 2025] until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

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

This Note is one of an issue of Notes aggregating the principal amount of \$\_\_\_\_\_, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of street improvement projects, park projects, fire department equipment, public works equipment, city hall improvements, police equipment, landfill projects and public improvement projects in Tax Incremental District Nos. 12 and 14, as authorized by a resolution adopted on February 19, 2024 as supplemented by an Approving Certificate, dated \_\_\_\_\_, \_\_\_\_\_ [(the "Approving Certificate")] (collectively, the "Resolution"). Said Resolution is recorded in the official minutes of the City Council for said date.

[This Note is not subject to optional redemption.]

[The Notes maturing on April 1, \_\_\_\_\_ and thereafter are subject to redemption prior to maturity, at the option of the City, on April 1, \_\_\_\_\_ or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.]

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

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

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

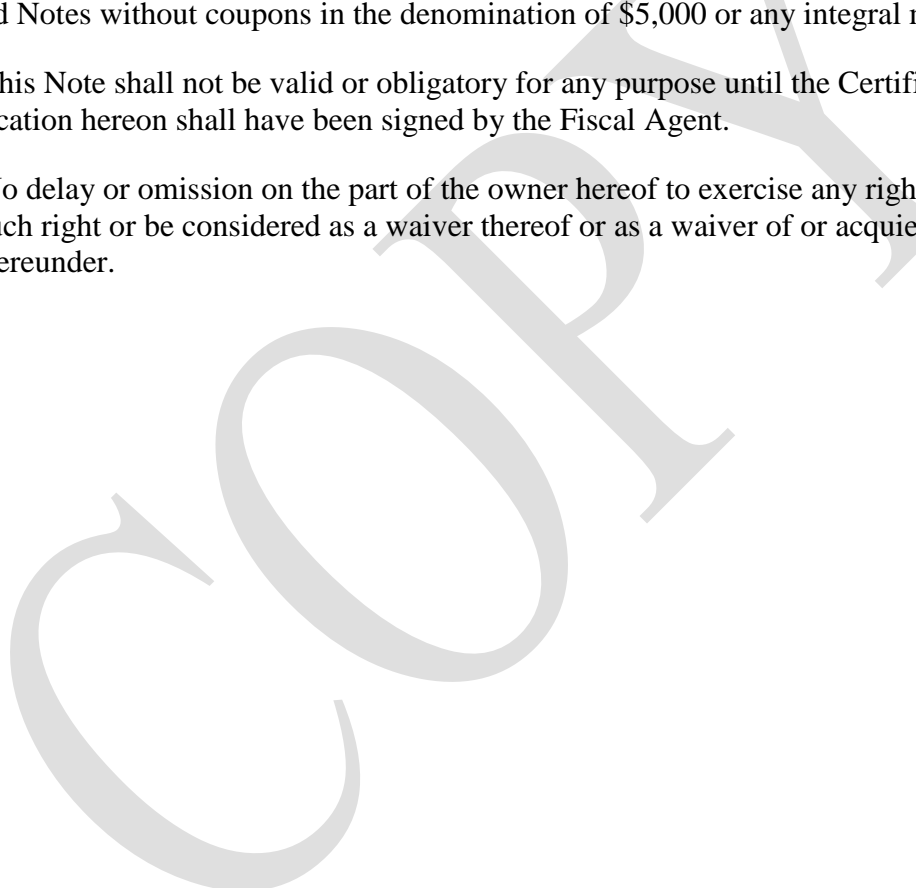
This Note has been designated by the City Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Note is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the City appoints another depository, upon surrender of the Note to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with

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

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

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



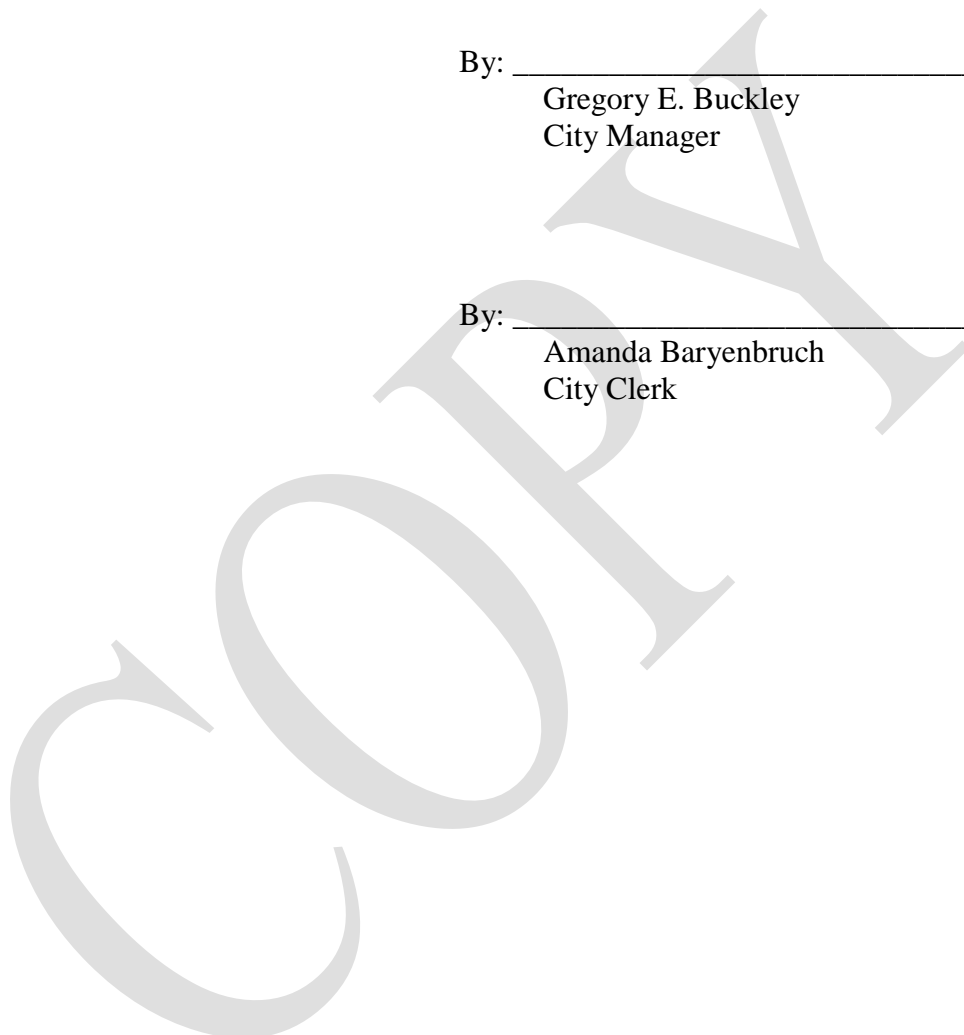
IN WITNESS WHEREOF, the City of Two Rivers, Manitowoc County, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified City Manager and City Clerk; and to be sealed with its official or corporate seal, if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

CITY OF TWO RIVERS  
MANITOWOC COUNTY, WISCONSIN

By: \_\_\_\_\_  
Gregory E. Buckley  
City Manager

(SEAL)

By: \_\_\_\_\_  
Amanda Baryenbruch  
City Clerk





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

CERTIFICATE OF AUTHENTICATION

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

ASSOCIATED TRUST COMPANY,  
NATIONAL ASSOCIATION,  
GREEN BAY, WISCONSIN

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

COPY

ASSIGNMENT

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

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

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

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

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

Signature Guaranteed:

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

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

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

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



**TWO RIVERS**  
WISCONSIN

**PUBLIC WORKS**  
**Engineering Division**  
1717 E. Park Street  
P.O. BOX 87  
Two Rivers, WI 54241-0087



**Memorandum**

*Department of Public Works*

Date: February 15, 2024

To: City Council  
Greg Buckley, City Manager

From: Matthew R Heckenlaible, Public Works Director / City Engineer

Re: Wisconsin Urban Nonpoint Stormwater Management Planning Grant  
Professional Services Agreement

The City has received a Wisconsin Urban Nonpoint Stormwater Management Planning Grant in the amount of \$45,022.00 to update the City of Two Rivers stormwater management plan and program. Total proposed project cost is \$90,044.00.

McMahon Associates, Inc., assisted the City in securing the planning grant and has subsequently submitted a formal professional service agreement to aid the City in updating our stormwater plan / program. As identified within the planning grant application, it is the intent to:

1. Update our construction site erosion control program,
2. Update our post-construction stormwater management ordinance,
3. Update our post-construction stormwater management program,
4. Update our Stormwater Quality Management Plan including a Northeast Lakeshore TMDL Implementation plan,
5. Evaluate and update our pollution prevention program,
6. Enhance our public education and outreach program, and
7. Develop a regional pond ‘user charge’ report as a potential dedicated revenue source.

The stormwater planning activities included within this project will provide the City with tools needed for long-term TSS and TP reduction strategies in the West Twin, East Twin and Molash Creek watersheds.

The planning grant is a 50/50 cost share and dollars were budgeted for in the adopted 2024 City (Stormwater Utility) Budget.

My recommendation is to approve entering into this professional service agreement with McMahon Associates, Inc.

# AGREEMENT FOR PROFESSIONAL SERVICES

**CITY OF TWO RIVERS**  
1717 E. Park Street  
P.O. Box 87  
Two Rivers, WI 54241

**JANUARY 8, 2024**

**McM. No. TBD**

## PROJECT DESCRIPTION

The City of Two Rivers obtained an NR 216 Municipal Separate Storm Sewer System Permit (MS4) from the Wisconsin Department of Natural Resources (WDNR). During 2023, the US Environmental Protection Agency approved the Northeast Lakeshore Total Maximum Daily Load (TMDL). The recently approved TMDL identifies a 36% Total Suspended Solids (TSS) and 15% Total Phosphorus (TP) reduction for those portions of the City which discharge into the West Twin River. The TMDL identifies a 20% TSS and 28% TP reduction for those portions of the City which discharge into the East Twin River. The TMDL identifies a 20% TSS and 15% or 74% (depending on the subbasin) TP reduction for those portions of the City which discharge into Molash Creek.

The City previously developed a Stormwater Quality Management Plan in 2012, however, the plan needs to be updated due to new development and redevelopment, updated WDNR guidance, a new MS4 permit, new WDNR Technical Standards, and the recently approved TMDL. The City also needs to develop a TMDL Plan of Action, including the fiscal analysis and compliance schedule.

As part of this planning grant, the City intends to (1) update its construction site erosion control program, (2) update its post-construction stormwater management ordinance, (3) update its post-construction stormwater management program, (4) update its Stormwater Quality Management Plan / TMDL Implementation Plan, (5) evaluate and update its pollution prevention program, (6) enhance its public education and outreach program, and (7) develop a regional pond “user charge” report as a dedicated revenue source. The stormwater planning activities included within this project will provide the City with tools needed for long-term TSS and TP reductions in the West Twin, East Twin, and Molash Creek watersheds.

The City was awarded an Urban Non-Point Source & Stormwater (UNPS&SW) Planning Grant by the WDNR for these stormwater planning activities. The purpose of this proposal is to assist the City with completion of these UNPS&SW Planning Grant activities. Public education and public involvement will be integral to the proposed planning activities.

## SCOPE OF SERVICES

Development of a municipal stormwater program is a dynamic process due to the many opportunities for public education and participation. Ultimately, the City will determine the level of effort associated with each task or scope of services. Based on the UNPS&SW Planning Grant application and MS4 Permit requirements, McMahon Associates, Inc. (McMahon) agrees to provide the following Scope Of Services for this project:

### Construction Site Erosion Control Program:

- Update City procedures for plan review, site inspections, and permit issuance based on new MS4 Permit requirements.
- Meet with the City to provide guidance and technical expertise.
- Prepare presentations and facilitate discussions during public meetings, as needed.

**Post-Construction Stormwater Management Ordinance:**

- Update the Post-Construction Stormwater Ordinance for Northeast Lakeshore TMDL. Evaluate advantages and disadvantages of including full versus partial TMDL phosphorus reductions goals in ordinance. Consider available technology, infiltration feasibility, costs to developers / landowners, and costs to City due to developer / landowner's TP reduction shortfall.
- Meet with the City to provide guidance and technical expertise.
- Prepare presentations and facilitate discussions during public meetings, as needed.

**Post-Construction Stormwater Management Program:**

- Update City procedures for plan review, long-term maintenance agreements, and permit issuance based on new MS4 Permit requirements.
- Update City procedures for tracking long-term maintenance activities of private BMP owners based on new MS4 Permit requirements.
- Meet with the City to provide guidance and technical expertise.
- Prepare presentations and facilitate discussions during public meetings, as needed.

**Stormwater Quality Management Plan/TMDL Implementation Plan:**

- Update maps of municipal boundary, watershed, catchments, soils, land use, natural resources, cultural resources, environmental hazards, storm sewers, culverts/bridges, structural best management practices, surface drainage, municipally-owned properties (undeveloped land, public schools, parks, wells, municipal facilities, etc.), WPDES Industrial Permits, and exlusions.
- Inventory long-term maintenance agreements or legal authority for private BMPs. Identify private BMPs without legal authority, for which the City desires to include in its water quality analysis.
- Assist with inter-governmental agreements for public BMPs, for which the City or adjoining municipality desires to include in its water quality analysis for developed urban area.
- Update the Stormwater Quality Management / TMDL Implementation Plan for the City's entire developed urban area based upon Northeast Lakeshore TMDL, NR 151.13, DNR Technical Standards, and DNR guidance documents.
  - Northeast Lakeshore has a draft TMDL for TSS and TP pollutants, which is not yet approved by EPA. EPA approval of the Northeast Lakeshore TMDL is anticipated during 2023.
  - Evaluate stormwater quality using the Source Loading and Management Model (WinSLAMM).
    - Evaluate TSS and TP pollutants for each impaired water body.
    - Evaluate the following conditions: no controls, 2008 BMPs, 2024 BMPs, and future BMPs for TMDL implementation plan.
  - Evaluate benefits of potential structural and non-structural Best Management Practices (BMPs).
  - Prepare a preliminary concept drawing and opinion of probable cost for structural BMP retrofits.
  - Rank potential structural BMP retrofits based upon cost to water quality reduction benefit.
  - Evaluate stormwater quality alternatives for the City's developed urban area.
  - Update City-wide TMDL implementation plan and schedule.
  - Meet with the City to provide guidance and technical expertise. Assist with public education.
  - Prepare presentations and facilitate discussions during public meetings, as needed.

**Pollution Prevention Program:**

- Evaluate leaf management program. The City may be eligible for numerical TP reductions for this program based on new DNR guidance and MS4 Permit requirements.
- Update municipal BMP inspection and maintenance program procedures to improve documentation based on new MS4 Permit requirements.
- Update street sweeping procedures based on street sweeping ordinance. The City may be eligible for numerical TSS and TP reductions for this program update.
- Update catch basin cleaning procedures. The City may be eligible for numerical TSS and TP reductions for this program update.
- Update municipal facility SWPPP.
- The City's written procedures will be updated to maintain MS4 Permit compliance.
- Meet with the City to provide guidance and technical expertise. Assist with public education.
- Prepare presentations and facilitate discussions during public meetings, as needed.

**Public Education & Outreach Program:**

- Meet with the City to provide guidance and technical expertise. Assist with public education.
- Prepare presentations and facilitate discussions during public meetings, as needed.

**Dedicated Funding Source:**

- Develop connection fee for City-owned regional ponds.
- Meet with the City to provide guidance and technical expertise. Assist with public education.
- Prepare presentations and facilitate discussions during public meetings, as needed.

**ITEMS NOT INCLUDED IN THE SCOPE OF SERVICES**

The following is not intended to be a comprehensive list. It is intended to highlight general areas not included in the Scope of Services.

- Archaeological, historical, endangered/threatened species, geotechnical, groundwater, wetland, and environmental site investigations.
- Boundary surveys, plats, Certified Survey Maps, easements, deeds, and rezoning.
- Design, plans, permits, specifications, bidding, and construction services.

**CLIENT RESPONSIBILITIES**

The Scope of Services and fee is based upon the understanding that the client will provide the following:

- A single contact person.
- Sanitary, water main, and storm sewer maps in ACAD or GIS compatible format.
- Copies of available plans for stormwater facilities, streets, and utilities, including relevant reports.
- Copies of available long-term maintenance agreements.

**SPECIAL TERMS** (Refer also to General Terms & Conditions, attached)

The City of Two Rivers agrees that the Project Description, Scope of Services, and Compensation sections contained in this Agreement, pertaining to this project or any addendum thereto, are considered confidential and proprietary, and shall not be released or otherwise made available to any third party, prior to the execution of this Agreement, without the expressed written consent of McMahan.

### COMPENSATION

McMahon agrees to provide the Scope of Services described above for the following compensation:

Time and Expense Estimated (Rates per attached Fee Schedule) at: \$90,044.

### COMPLETION SCHEDULE

McMahon agrees to complete services by December 31, 2025, or as mutually agreed.

### ACCEPTANCE

The General Terms & Conditions and the Scope of Services (defined in the above Agreement) are accepted, and McMahon is hereby authorized to proceed with the services. The Agreement fee is firm for acceptance within sixty (60) days from the date of this Agreement.

#### CITY OF TWO RIVERS

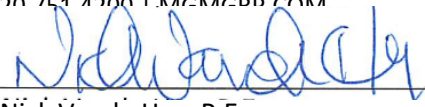
1717 E. Park Street  
Two Rivers, WI 54241

\_\_\_\_\_  
*Authorized Signature*

\_\_\_\_\_  
Date

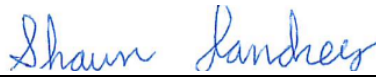
#### McMAHON ASSOCIATES, INC.

1445 McMahon Drive | PO Box 1025  
Neenah, WI 54956 | 54957-1025  
920.751.4200 | MCMACORP.COM

  
\_\_\_\_\_  
Nick Vandé Hey, P.E.

\_\_\_\_\_  
Vice President/Senior Project Engineer  
Title

\_\_\_\_\_  
January 8, 2024  
Date

  
\_\_\_\_\_  
Shawn Jandrey, P.E.  
Municipal & Water Resource Engineer

- Attachments: General Terms and Conditions  
Fee Schedule  
Reimbursable Expense Schedule

**1. STANDARD OF CARE**

- 1.1 Services: McMahon Associates, Inc. (McMahon) shall perform services consistent with the professional skill and care ordinarily provided by engineers/architects practicing in the same or similar locality under the same or similar circumstances. McMahon shall provide its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.
- 1.2 Client's Representative: McMahon intends to serve as the Client's professional representative for those services, as defined in this Agreement, and to provide advice and consultation to the Client as a professional. Any opinions of probable project costs, approvals and other decisions made by McMahon for the Client are rendered based on experience and qualifications and represent our professional judgment. This Agreement does not create, nor does it intend to create a fiduciary relationship between the parties.
- 1.3 Warranty, Guarantees, Terms and Conditions: McMahon does not provide a warranty or guarantee, expressed or implied, for professional services. This Agreement or contract for services is not subject to the provisions of uniform commercial codes. Similarly, McMahon will not accept those terms and conditions offered by the Client in its purchase order, requisition or notice of authorization to proceed, except as set forth herein or expressly accepted in writing. Written acknowledgment of receipt, or the actual performance of services subsequent to receipt, of any such purchase order, requisition or notice of authorization to proceed is specifically deemed not to constitute acceptance of any terms or conditions contrary to those set forth herein.

**2. PAYMENT AND COMPENSATION**

- 2.1 Invoices: McMahon will bill the Client monthly with net payment due in 30-days. Past due balances shall be subject to an interest charge of 1.0% per month. Client is responsible for interest charges on past due invoices, collection agency fees and attorney fees incurred by McMahon to collect all monies due McMahon. Client is responsible for all taxes levied on professional services and on reimbursable expenses. McMahon and Client hereby acknowledge that McMahon has and may exercise lien rights on subject property.
- 2.2 Reimbursables: Expenses incurred by McMahon for the project including, but not limited to, equipment rental will be billed to the Client at cost plus 10% and sub-consultants at cost plus 12%. When McMahon, after execution of an Agreement, finds that specialized equipment must be purchased to provide special services, the cost of such equipment will be added to the agreed fee for professional services only after the Client has been notified and agrees to these costs.
- 2.3 Changes: The stated fees and Scope of Services constitute McMahon's professional opinion of probable cost of the fees and tasks required to perform the services as defined. For those projects involving conceptual or process development services, activities often cannot be fully defined during initial planning. As the project progresses, facts uncovered may reveal a change in direction, which may alter the Scope. Changes by the Client during design may necessitate re-design efforts. McMahon will promptly inform the Client in writing of such situations so changes in this Agreement can be negotiated, as required.
- 2.4 Delays and Uncontrollable Forces: Costs and schedule commitments shall be subject to re-negotiation for delays caused by the Client's failure to provide specified facilities or information, or for force majeure delays caused by unpredictable occurrences, including without limitation, fires, floods, riots, strikes, unavailability of labor or materials, delays or defaults by suppliers of materials or services, process shutdowns, infectious diseases or pandemics, acts of God or the public enemy, or acts or regulations of any governmental agency. Temporary delay of services caused by any of the above, which results in additional costs beyond those outlined, may require re-negotiation of this Agreement.

**3. INSURANCE**

- 3.1 Limits: McMahon will maintain insurance coverage in the following amounts:  
 Worker's Compensation ..... Statutory  
 General Liability  
     Bodily Injury - Per Incident/Annual Aggregate ..... \$1,000,000 / \$2,000,000  
 Automobile Liability  
     Bodily Injury ..... \$1,000,000  
     Property Damage ..... \$1,000,000  
 Professional Liability Coverage ..... \$2,000,000

If the Client requires coverage or limits in addition to the above stated amounts, premiums for additional insurance shall be paid by the Client.

McMahon's liability to Client for any indemnity commitments, reimbursement of legal fees, or for any damages arising in any way out of performance of our contract or based on tort, breach of contract, or any other theory, is limited to ten (10) times McMahon's fee not to exceed to \$250,000.

- 3.2 Additional Insureds: To the extent permitted by law, McMahon shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Client as an additional insured for claims caused in whole or in part by McMahon's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Client's insurance policies and shall apply to both ongoing and completed operations.

To the extent permitted by law, Client shall cause the contractor, if any, to include McMahon as an additional insured on contractor's Commercial General Liability, Automobile Liability and Excess or Umbrella policies to include McMahon as an additional insured for claims caused in whole or in part by contractor's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of McMahon's insurance policies and shall apply to both ongoing and completed operations.

**4. CLAIMS AND DISPUTES**

- 4.1 General: In the event of a dispute between the Client and McMahon arising out of or related to this Agreement, the aggrieved party shall notify the other party of the dispute within a reasonable time after such dispute arises. The Client and McMahon agree to first attempt to resolve the dispute by direct negotiation.
- 4.2 Mediation: If an agreement cannot be reached by the Client and McMahon unresolved disputes shall be submitted to mediation per the rules of the American Arbitration Association. The Client and McMahon shall share the mediator's fee and any filing fees equally.
- 4.3 Binding Dispute Resolution: If the parties do not resolve a dispute through mediation the method of binding dispute resolution shall be litigation in a court of competent jurisdiction.



**5. TERMINATION OR SUSPENSION**

- 5.1 Client: Termination of this Agreement by the Client shall be effective upon seven (7) day written notice to McMahon. The written notice shall include the reasons and details for termination; payment is due as stated in above Section 2.
- 5.2 McMahon: If the Client defaults in any of the Agreements entered into between McMahon and the Client, or if the Client fails to carry out any of the duties contained in these Terms & Conditions, McMahon may, upon seven (7) days written notice, suspend its services without further obligation or liability to the Client unless, within such seven (7) day period, the Client remedies such violation to the reasonable satisfaction of McMahon.
- 5.3 Suspension for Non-Payment: McMahon may, after giving 48-hours' notice, suspend service under any Agreement until the Client has paid in full all amounts due for services rendered and expenses incurred.

**6. COPYRIGHTS AND LICENSES**

- 6.1 Instruments of Service: McMahon and its subconsultants shall be deemed the author and owner of their respective Instruments of Service (IOS), including the Drawings, Specifications, reports, and any computer modeling (BIM, etc.), and shall retain all common law, statutory and other reserved rights, including copyrights.
- 6.2 Licenses: McMahon grants to the Client a nonexclusive license to use McMahons' IOS solely and exclusively for the purposes of constructing, using, and maintaining the project, provided that the Client substantially performs its obligations under this Agreement, including prompt payment of all sums due.
- 6.3 Re-use: Use of IOS pertaining to this project by the Client for extensions of this project or on any other project shall be at the Client's sole risk and the Client agrees to defend, indemnify, and hold harmless McMahon from all claims, damages and expenses, including attorneys' fees arising out of such re-use of the IOS by the Client or by others acting through the Client.

**7. AGREEMENT CONDITIONS**

- 7.1 The stipulated fee is firm for acceptance by the Client within 60-days from date of Agreement publication.
- 7.2 Modifications: This Agreement, upon execution by both parties hereto, can be amended only by written instrument signed by both parties.
- 7.3 Governing Law: This Agreement shall be governed by the law of the place where the project is located, excluding that jurisdiction's choice of law rules.
- 7.4 Mutual Non-Assignment: The Client and McMahon, respectively bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Client nor McMahon shall assign this Agreement without the written consent of the other.
- 7.5 Severability: The invalidity of any provision of this Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.
- 7.6 Third Party: Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action, in favor of a third party against McMahon.

**8. MISCELLANEOUS PROVISIONS**

- 8.1 Additional Client Services: The Client agrees to provide such legal, accounting and insurance counseling services as may be required for the project for the Client's purpose.
- 8.2 Means and Methods: McMahon is not responsible for direction or supervision of construction means, methods, techniques, sequence, or procedures of construction selected by Contractors or Subcontractors, or the safety precautions and programs incident to the work of the Contractors or Subcontractors.
- 8.3 Purchase Orders: In the event the Client issues a purchase order or other instrument related to McMahon's services, it is understood and agreed that such document is for Client's internal accounting purposes only and shall in no way modify, add to, or delete any of the terms and conditions of this Agreement. If the Client does issue a purchase order, or other similar instrument, it is understood and agreed that McMahon shall indicate the purchase order number on the invoice(s) sent to the Client.
- 8.4 Project Maintenance: The Client (or Owner if applicable) shall be responsible for maintenance of the structure, or portions of the structure, which have been completed and have been accepted for its intended use. All structures are subject to wear and tear, and environmental and man-made exposures. As a result, all structures require regular and frequent monitoring and maintenance to prevent damage and deterioration. Such monitoring and maintenance is the sole responsibility of the Client or Owner. McMahon shall have no responsibility for such issues or resulting damages.
- 8.5 Consequential Damages: Notwithstanding any other provision of the Agreement, neither party shall be liable to the other for any consequential damages incurred due to the fault of the other party, regardless of the nature of this fault or whether it was committed by the Client or the Design Professional, their employees, agents, subconsultants or subcontractors. Consequential damages include, but are not limited to, loss of use and loss of profit.
- 8.6 Corporate Protection: It is intended by the parties to this Agreement that McMahon's services in connection with the project shall not subject McMahon's individual employees, officers, or directors to any personal legal exposure for the risks associated with this project. Therefore, and notwithstanding anything to the contrary contained herein, the Client agrees that as the Client's sole and exclusive remedy, any claim, demand, or suit shall be directed and/or asserted only against McMahon, a Wisconsin corporation, and not against any of McMahon's employees, officers, or directors.
- 8.7 Contingency: McMahon's professional services are not a warranty or guarantee. The project will evolve and be refined over time. The Client shall provide appropriate contingency for design and construction costs consistent with the reasonable progression of the project. The Client and McMahon agree that revisions due to design clarifications or omissions which result in changes in work during the construction phase which amount to 5% or less of construction costs shall be deemed within the contingency and consistent with the professional standard of care. The Client agrees to make no claim for costs related to changes in work within this threshold. Claims in excess of this threshold shall be resolved per the dispute resolution process.
- 8.8 Project Costs Associated with Agency Plan Review: McMahon will not be responsible for additional project costs due to changes to the design, construction documents, and specifications resulting from the agency plan review process. The project schedule shall either allow for the agency plan review process to occur prior to the Bid Phase or if this review occurs after the Bid Phase the Client agrees that any additional costs would be considered part of the project contingency.
- 8.9 Hazardous Materials: McMahon shall have no responsibility for the discovery, presence, handling, removal, or disposal of, or exposure of person to, hazardous materials or toxic substance in any form at the project site.
- 8.10 Climate: Design standards which exceed the minimum requirements within current codes and regulations are excluded. If requested by the Client, climate-related design services or evaluations can be provided for additional compensation.



# FEE SCHEDULE | 2024

McMahon Associates, Inc.

Effective: 01/01/2024

LABOR CLASSIFICATION	HOURLY RATE
Principal	\$205.00
Senior Project Manager	\$205.00
Project Manager	\$145.00 - \$195.00
Senior Engineer	\$185.00 - \$195.00
Engineer	\$105.00 - \$175.00
Senior Engineering Technician	\$135.00 - \$145.00
Engineering Technician	\$75.00 - \$125.00
Senior Architect	\$170.00 - \$190.00
Architect	\$145.00 - \$165.00
Senior Designer	\$120.00 - \$140.00
Designer	\$90.00 - \$110.00
Senior Land Surveyor	\$130.00 - \$170.00
Land Surveyor	\$120.00
Land Surveyor Technician	\$85.00 - \$105.00
Surveyor Apprentice	\$70.00
Erosion Control Technician	\$90.00
Senior Hydrogeologist	\$205.00
Senior Ecologist	\$195.00
Environmental Scientist	\$100.00 - \$115.00
Senior G.I.S. Analyst	\$170.00
G.I.S. Analyst	\$95.00 - \$115.00
Wetland Delineator	\$115.00
Senior Public Management Specialist	\$160.00
Public Management Specialist	\$130.00
Senior Public Safety Specialist	\$160.00
Public Safety Specialist	\$130.00
Building Inspector Specialist	\$130.00
Water / Wastewater Specialist	\$105.00 - \$135.00
Senior On-Site Project Representative	\$120.00
On-Site Project Representative	\$60.00 - \$105.00
K-12 Administrative Specialist	\$125.00
State Plan Reviewer	\$145.00
Certified Grant Specialist	\$145.00
Graphic Designer	\$110.00
Senior Administrative Assistant	\$95.00 - \$105.00
Administrative Assistant	\$85.00
Intern	\$45.00 - \$70.00
Professional Witness Services	\$370.00

This Fee Schedule is subject to revisions due to labor rate adjustments and interim staff or corporate changes.

NEENAH, WISCONSIN  
CORPORATE HEADQUARTERS

Street Address:  
1445 McMAHON DRIVE  
NEENAH, WI 54956

Mailing Address:  
P.O. BOX 1025  
NEENAH, WI 54957-1025

Ph 920.751.4200 | Fax 920.751.4284

Email: MCM@MCMGRP.COM  
Web: WWW.MCMGRP.COM

1700 HUTCHINS ROAD  
MACHESNEY PARK, IL 61115  
Ph 815.636.9590 | Fax 815.636.9591

Email: MCMAHON@MCMGRP.NET  
Web: WWW.MCMGRP.COM

952 SOUTH STATE ROAD 2  
VALPARAISO, IN 46385  
Ph 219.462.7743 | Fax 219.464.8248

Email: MCM@MCMGRP-IN.COM  
Web: WWW.MCMGRP.COM



# REIMBURSABLE EXPENSE SCHEDULE \* | 2024

McMahon Associates, Inc.

Effective: 01/01/2024

DESCRIPTION	RATE
<b>REIMBURSABLE EXPENSES:</b>	
Commercial Travel	1.1 of Cost
Delivery & Shipping	1.1 of Cost
Meals & Lodging	1.1 of Cost
Review & Submittal Fees	1.1 of Cost
Outside Consultants	1.12 of Cost
Photographs & Models	1.1 of Cost
Misc. Reimbursable Expenses & Project Supplies	1.1 of Cost
Terrestrial Laser Scanner	\$1,500.00
<b>REIMBURSABLE UNITS:</b>	
Copy Charges - Black & White	\$0.08/Image
Copy Charges - Color / 8½" x 11"	\$0.45/Image
Copy Charges - Color / 8½" x 14" and 11" x 17"	\$0.75/Image
Mileage	\$0.75/Mile
Mileage - Truck/Van	\$1.05/Mile
All-Terrain Vehicle	\$100.00/Day
Global Positioning System (GPS)	\$21.00/Hour
Hand-Held Global Positioning System (GPS)	\$15.00/Hour
Robotic Total Station	\$20.00/Hour
Survey Hubs	\$0.45/Each
Survey Lath	\$0.80/Each
Survey Paint	\$6.00/Can
Survey Ribbon	\$3.00/Roll
Survey Rebars - 1¼"	\$10.00/Each
Survey Rebars - ¾"	\$3.50/Each
Survey Rebars - 5/8"	\$3.00/Each
Survey Iron Pipe - 1"	\$4.50/Each
Survey Steel Fence Post - 1"	\$7.75/Each
Control Spikes	\$1.75/Each

NEENAH, WISCONSIN  
CORPORATE HEADQUARTERS

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\* This schedule is not all inclusive.