

CITY OF STURGEON BAY
FINANCE/PURCHASING & BUILDING COMMITTEE
TUESDAY MAY 11, 2021
Council Chambers, City Hall - 421 Michigan Street
4:00pm

1. Roll call.
2. Adoption of agenda.
3. Public comment on agenda items and other issues related to finance & purchasing.
4. Consideration of: 2020 Audit.
5. Consideration of: Scenic Tour Boat Proposal
6. Consideration of: Ordinance repealing and recreating Section 3.03(3)(a) and (4) of the Municipal Code: Claims against the City/payments of bills (Manual Checks)
7. Convene in closed session in accordance with the following exemptions:

Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. Wis. Stats. 19.85(1)(e)

- a. Consideration of: Sale of City owned lots on Egg Harbor Road.

Move to reconvene in open session to take formal action upon preceding subject of closed session, if appropriate; or to conduct discussion or give further consideration where the subject is not appropriate for closed session consideration. The Committee may adjourn in closed session.

8. Review bills.
9. Adjourn.

NOTE: DEVIATION FROM THE AGENDA ORDER SHOWN MAY OCCUR.

Notice is hereby given that a majority of the City Committees may be present at this meeting to gather information about a subject over which they have decision-making responsibility. If a quorum of a Committee, does attend, this may constitute a meeting of the aforementioned Committee and is noticed as such, although no formal action will be taken at this meeting.

Posted:
Date: 05/7/21
Time: 9:45am
By: TM

Finance/Purchasing & Building Committee Members:
Helen Bacon, Chair
Seth Wiederanders, Vice Chair
Dan Williams

EXECUTIVE SUMMARY

TITLE: 2020 Audit

BACKGROUND: WIPFLi CPAs and Consultants has completed the 2020 financial audit for the City of Sturgeon Bay. A clean audit opinion was issued by WIPFLi. The details of their financial audit can be found in the attached audit report and management letter.

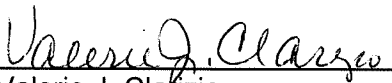
FISCAL IMPACT: The fiscal impact to the City is the contracted amount of \$18,200.00

OPTIONS: Accept or reject the WIPFLi CPAs and Consultants 2020 audit report.

RECOMMENDATION:


Accept the WIPFLi CPAs and Consultants 2020 financial audit report for the City of Sturgeon Bay and place it on file.

PREPARED BY:


Valerie J. Clarizio
Finance Director/City Treasurer

4/28/21
Date

REVIEWED BY:


Joshua J. Van Lieshout
City Administrator

5/6/21
Date

April 20, 2021

City Council
City of Sturgeon Bay
Sturgeon Bay, WI

Dear City Council:

We have audited the financial statements of City of Sturgeon Bay (the "City") for the year ended December 31, 2020, and have issued our report thereon dated April 20, 2021. Professional standards require that we provide you with the following information related to our audit:

Our Responsibility Under Auditing Standards Generally Accepted in the United States

As stated in our engagement letter dated October 12, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Required Supplementary Information Accompanying Audited Financial Statements

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, the schedule of changes in the City's total OPEB liability and related ratios, the schedule of proportionate share of the net pension liability (asset) and contributions – Wisconsin Retirement System, the schedule of proportionate share of the net OPEB liability (asset) and contributions – LRLIF which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information Accompanying Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, 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.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to your representative, Valerie Clarizio, in our meeting about planning matters on February 22, 2021, in addition to our engagement letter dated October 12, 2020, accepted by Josh VanLieshout.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City 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 the year.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. There were no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are the significant useful lives in calculating accumulated depreciation, the allowance for doubtful accounts receivable, the OPEB liability and the net pension liability.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Copies of the adjustments are available from management. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Company's financial reporting process.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 20, 2021, a copy of which accompanies this letter.

Management Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, management has not obtained any opinions from other independent accountants on the application of accounting principles generally accepted in the United States which would affect the City's financial statements or on the type of opinion which may be rendered on the financial statements.

Other Audit Findings or Issues

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

Internal Control Matters

In planning and performing our audit of the financial statements of the City as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

We consider the following deficiencies in internal control to be significant deficiencies:

Financial Accounting and Reporting

Criteria – The inability to report financial data reliably in accordance with accounting principles generally accepted in the United States (GAAP) is considered an internal control deficiency.

Condition – The City's internal control over financial reporting does not end at the general ledger, but extends to the GASB financial statements and notes. The City does not have an internal control system designed to provide for the preparation of the GASB financial statements being audited. As auditors, we were requested to draft the GASB financial statements and accompanying notes to the GASB financial statements. This circumstance is not unusual in an organization of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations. Because the City relies on Wipfli to provide the necessary understanding of current accounting and disclosure principles and draft the GASB financial statements and accompanying notes, a significant deficiency exists in the City's internal controls. However, the Finance Director/City Treasurer does review the financial statements compared to their general ledger records and takes responsibility for all of the information presented so that the finding is not considered a material weakness.

Effect – The completeness of the GASB financial statement disclosures and the accuracy of the GASB financial statement presentation is negatively impacted as outside auditors do not have the same comprehensive understanding of the City as its own management.

Cause – Management and those charged with governance have accepted the degree of risk associated with this condition because of cost.

Recommendation – We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Other Matters

Pending Accounting Pronouncements

GASB Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Management has not completed its assessment of these pending standards as to the effect, if any, they may have on the financial statements.

We appreciate the opportunity to be of service to City of Sturgeon Bay.

This letter is intended solely for the information and use of management, the City Council, others within the City, and State of Wisconsin and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Wipfli LLP

Wipfli LLP
Enc.

GOVERNMENTAL AUDIT REPRESENTATION LETTER

April 20, 2021

Wipfli LLP
2501 West Beltline Highway, Suite 401
Madison, WI 53713

This representation letter is provided in connection with your audit of the financial statements of the City of Sturgeon Bay, Wisconsin which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated, October 12, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in accordance with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.
3. We acknowledge 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
10. Material concentrations, if any, have been properly disclosed in accordance with GAAP.
11. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed in accordance with GAAP.

Information Provided

12. 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, 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 City from who you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of City Board or summaries of actions of recent meetings for which minutes have not yet prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud affecting the City involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.


17. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
18. 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 GAAP.
19. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
20. We have made available to you all financial records and related data.
21. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
22. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
23. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
24. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
25. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
26. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
27. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determinations of financial statement amounts or other financial data significant to the audit objectives.
28. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
29. 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 noncompliance.
30. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged as collateral.


31. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
32. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
33. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
34. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial users.
35. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
36. Investments are properly valued.
37. Provisions for uncollectible receivables have been properly identified and recorded.
38. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
39. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
40. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
41. Deposits and investment securities are properly classified as to risk, and investments are properly valued and disclosed.
42. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
43. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
44. The City has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
45. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the City vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.

46. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
47. We acknowledge our responsibility for presenting the Combining Financial Statements in accordance with GAAP, and we believe the Combining Financial Statements, including its form and content, are fairly presented in accordance with GAAP. The methods of measurement and presentation of the Combining Financial Statements 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 Combining Financial Statements are 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 auditor's report thereon.
48. We have evaluated the potential impacts of COVID-19 on the financial statements as of December 31, 2020 and for the year then ended. As of the date of issuance of the financial statements, the City's operations have not been significantly impacted. We feel the analysis we have performed is sufficient to support that conclusion.

Sincerely,

City of Sturgeon Bay, Wisconsin


Josh VanLieshout, City Administrator


Valerie Clarizio, Finance Director/Treasurer

City of Sturgeon Bay, Wisconsin

Sturgeon Bay, Wisconsin

Financial Statements and Supplementary Information

Year Ended December 31, 2020

City of Sturgeon Bay, Wisconsin
Financial Statements and Supplementary Information
Year Ended December 31, 2020

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Independent Auditor's Report

City Council
City of Sturgeon Bay
Sturgeon Bay, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sturgeon Bay, Wisconsin (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sturgeon Bay, Wisconsin, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, the statement of revenues, expenditures, and change in fund balance - budget and actual - general fund, the schedules of the employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, the schedules of the employer's proportionate share of the net OPEB liability (asset) and employer contributions - LRLIF, and the schedule of changes in the City's total OPEB liability and related ratios, on pages 60 - 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining financial statements - nonmajor governmental funds and nonmajor proprietary funds are presented for purposes of additional analysis and are 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Prior-Year Comparative Information

We have previously audited the City's 2019 financial statements, and we expressed an unmodified opinion on those respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in our report dated March 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wipfli LLP

Wipfli LLP
April 20, 2021
Madison, Wisconsin

Required Supplementary Information

CITY of STURGEON BAY



Joshua J. Van Lieshout, City Administrator
421 Michigan Street
Sturgeon Bay, WI 54235

920-746-2900 Phone
920-746-2905 Fax
www.sturgeonbaywi.org

STURGEON BAY UTILITIES



James M. Stawicki, General Manager
230 East Vine St
Sturgeon Bay, WI 54235

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www.sbunet.com

Management's Discussion and Analysis December 31, 2020

As management of the City of Sturgeon Bay, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2020 by \$102,124,930 (*net position*). Of this amount, \$19,614,353 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The largest portion of the City's net position (75%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending.
 - The unrestricted net position for the Governmental Activities of the City is \$8,841,393
 - The unrestricted net position of the Solid Waste fund is \$186,638
 - The unrestricted net position of the Sturgeon Bay Utilities is \$10,586,322
- The City's total net position increased by \$2,231,810. Several factors contributed to the overall increase as follows:
 - The City's Governmental activities' total net position increased by \$1,520,350.
 - The City's Business-type activities' (*Solid Waste Fund & Compost Fund*) total net position decreased by \$28,652.
 - The City's total net position of Sturgeon Bay Utilities increased by \$740,112.
- The City's general fund decreased by \$363,251. Overall, the 2020 general fund revenues were in excess of the 2020 budgeted revenues, and 2020 general fund expenditures were less than the 2020 budgeted expenditures. On the revenue side, excess income was realized primarily due to increases in state transportation aids and state aid for COVID-19 expense relief (this was offset by increased expenses due to COVID-19), and reductions in room tax revenues and investment income. On the expense side, savings were realized due to minimal appropriations from contingency, allocation of staff time to other funds, position vacancies, and conservative spending in several other expense line items. With both increased revenue and decreased expense, one would assume the fund balance would have increased; however, a large portion of funding for the 2020 budget was a planned allocation from excess general fund reserves, and prior year surplus. With the increase in revenue and decrease in expenses less reserves were needed to balance the budget.

- The assessed property tax rate, without TID, increased from \$7.91 to \$8.14 per \$1,000 of property value for the year ended December 31, 2020.
- As of December 31, 2020, the City's governmental funds reported combined ending fund balances of \$14,301,234, a decrease of \$7,320 in comparison with the prior year. Approximately 44% of this total amount, \$6,348,649 is available for spending at the City's discretion (*unassigned fund balance*).
- As of December 31, 2020, unassigned fund balance for the general fund was \$6,348,649 approximately 55% of the total general fund expenditures budgeted for 2021.
- The City's total general-obligation debt, consisting of notes and bonds as listed in the Notes to the Basic Financial Statements, Note 7: Long-Term Obligations, increased by \$3,350,618 (14.44%) during 2020. The key factor in this increase was primarily due to a new debt issue used to fund the majority of the 2020 CIP, refinancing a portion of the TID #4 notes into GO debt, offset by the retirement of a portion of the TID #2 bonds and prior general fund/capital fund debt.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

- *Deferred inflows* of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time (example: property taxes levied for the subsequent year).
- *Deferred outflows* of resources represents an expense for a future period and so will not be recognized as an outflow of resources (expense) until that time (example: WRS pension expenses).

The *statement of activities* presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, sanitation, health and human services, culture and recreation, development and debt service. The business-type activities of the City include the Solid Waste Fund, Compost Fund, and Sturgeon Bay Utility activities including water, wastewater and electric operations.

The government-wide financial statements include only the City itself (known as the *primary government*).

The government-wide financial statements can be found on pages 13 - 15 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Improvements Fund, and TID No. 2 Fund all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources:

Nonspendable fund balance: Includes amounts that cannot be spent because they are either (a) not a spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

Spendable fund balance: Comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantor, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the City Council – the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City's Common Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds. When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

The City adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 16 - 19 of this report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Solid Waste Fund, Compost Fund and Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City does not use internal service funds at this time.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements provide separate information for the Utility, which is considered to be a major fund of the City, and the Solid Waste Fund and Compost Fund which are considered to be nonmajor funds of the City.

The basic proprietary fund financial statements can be found on pages 20 - 24 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 27 - 59 of this report.

Other information. Required supplementary information relating to other post-employment and pension benefits and budgetary comparison information for the general fund in addition to other supplementary financial information related to the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements on pages 60 - 71.

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$102,124,930 at the close of 2020.

The City's 2019 Net Position has been restated to reflect a large increase in the amount of \$2,163,029 in capital assets due to an internal audit/re-inventory of the City's infrastructure.

City of Sturgeon Bay's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019 Restated	2020	2019	2020	2019 Restated
Current and other assets	\$ 26,958,256	\$ 25,098,673	\$ 13,928,167	\$ 13,217,946	\$ 40,886,423	\$ 38,316,619
Capital assets	54,144,253	54,136,212	49,900,592	49,128,651	104,044,845	103,264,863
Total assets	\$ 81,102,509	\$ 79,234,885	\$ 63,828,759	\$ 62,346,597	\$ 144,931,268	\$ 141,581,482
Deferred outflows of resources	\$ 3,505,251	\$ 4,172,129	\$ 779,867	\$ 1,007,370	\$ 4,285,118	\$ 5,179,499
Long-term liabilities outstanding	28,415,622	31,679,825	475,527	824,437	28,891,149	32,504,262
Other liabilities	1,327,128	882,588	1,940,280	1,537,663	3,267,408	2,420,251
Total liabilities	\$ 29,742,750	\$ 32,562,413	\$ 2,415,807	\$ 2,362,100	\$ 32,158,557	\$ 34,924,513
Deferred inflows of resources	\$ 13,930,168	\$ 11,430,109	\$ 1,002,731	\$ 513,239	\$ 14,932,899	\$ 11,943,348
Net position:						
Net Investment in Capital Assets of related debt	\$ 27,186,686	\$ 27,406,480	\$ 49,878,063	\$ 49,097,930	\$ 77,064,749	\$ 76,504,410
Restricted	4,906,763	3,139,097	539,065	538,118	5,445,828	3,677,215
Unrestricted	8,841,393	8,868,915	10,772,960	10,842,580	19,614,353	19,711,495
Total net position	\$ 40,934,842	\$ 39,414,492	\$ 61,190,088	\$ 60,478,628	\$ 102,124,930	\$ 99,893,120

By far the largest portion of the City's net position (75%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although, the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$19,614,353) may be used to meet the City's ongoing obligations to citizens and creditors.

- The unrestricted net position for the Governmental Activities of the City is \$8,841,393
- The unrestricted net position of the Solid Waste Fund and Compost Fund is \$186,638
- The unrestricted net position of the Sturgeon Bay Utilities is \$10,586,322

Change in net position. Governmental activities increased the City's net position by \$1,520,350. Key elements of this increase are as follows:

City of Sturgeon Bay's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019 Restated	2020	2019	2020	2019 Restated
Revenues:						
Program revenues						
Charges for services	\$ 938,972	\$ 957,128	\$ 19,614,601	\$ 19,884,129	\$ 20,553,573	\$ 20,841,257
Operating grants and contributions	777,438	699,887	-	-	777,438	699,887
Capital grants and contributions	392,000	12,774	72,438	44,978	464,438	57,752
General revenues:						
Property taxes	9,373,931	9,090,114	-	-	9,373,931	9,090,114
Other taxes	257,405	304,824	-	-	257,405	304,824
Grants and contributions not restricted to specific programs	1,103,982	1,086,227	-	-	1,103,982	1,086,227
Other revenues and transfers	1,819,685	1,483,523	(537,300)	(307,329)	1,282,385	1,176,194
Total revenues	\$ 14,663,413	\$ 13,634,477	\$ 19,149,739	\$ 19,621,778	\$ 33,813,152	\$ 33,256,255
Expenses:						
General government	\$ 2,427,829	\$ 1,266,881	\$ -	\$ -	\$ 2,427,829	\$ 1,266,881
Public safety	2,874,567	6,227,812	-	-	2,874,567	6,227,812
Public works	4,956,348	4,432,707	-	-	4,956,348	4,432,707
Culture and recreation	790,445	773,986	-	-	790,445	773,986
Conservation and development	1,343,567	969,781	-	-	1,343,567	969,781
Interest on long-term debt	750,307	719,161	-	-	750,307	719,161
Sewer	-	-	1,917,440	1,745,070	1,917,440	1,745,070
Water	-	-	1,938,131	1,792,560	1,938,131	1,792,560
Electric	-	-	13,995,502	14,183,491	13,995,502	14,183,491
Solid waste	-	-	587,206	487,240	587,206	487,240
Total expenses	\$ 13,143,063	\$ 14,390,328	\$ 18,438,279	\$ 18,208,361	\$ 31,581,342	\$ 32,598,689
Increase (Decrease) in net position	1,520,350	(755,851)	711,460	1,413,417	2,231,810	657,566
Net position - January 1	39,414,492	38,007,314	60,478,628	59,065,211	99,893,120	97,072,525
Prior period adjustment for Omitted Infrastructure	-	2,163,029	-	-	-	2,163,029
Prior period adjustment for SBU PILOT	-	-	-	-	-	-
Net position - January 1, restated	39,414,492	40,170,343	60,478,628	59,065,211	99,893,120	99,235,554
Net position - December 31	\$ 40,934,842	\$ 39,414,492	\$ 61,190,088	\$ 60,478,628	\$ 102,124,930	\$ 99,893,120

The property tax levy increased by \$210,991 (3.09%), without TID, for the 2019 collection year. This increase was directed toward the following areas:

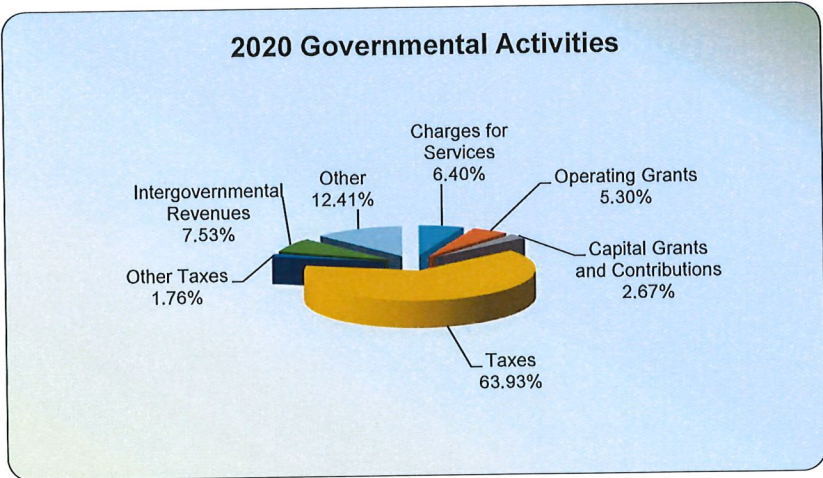
Property Taxes		
\$	(38,234)	for the General Fund Operations and Debt
\$	249,225	for Capital Improvements

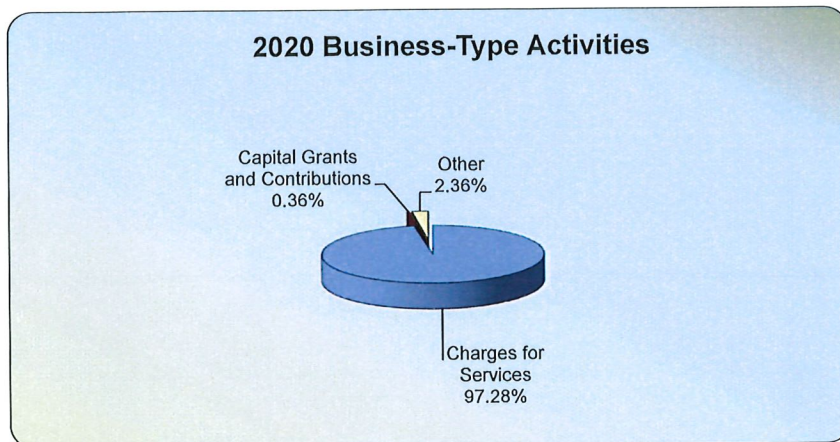
Investment earnings increased/(decreased) in the following funds:

Investment Earnings		
\$	(111,634)	General
\$	(32,790)	Capital Fund
\$	(37,707)	Tax Increment District #2
\$	(13,129)	Tax Increment District #1
\$	(15,914)	Tax Increment District #3
\$	(22,182)	Tax Increment District #4
\$	(6,486)	Revolving Loan Fund

Funding Sources for the governmental activities and business-type activities for the City of Sturgeon Bay and Sturgeon Bay Utilities

The Chart on the right illustrates how governmental activities are funded. Property taxes and other taxes account for 65.69% of the total revenue needed to fund governmental activities. Intergovernmental revenues and grants comprise another 15.50%, while charges for services and all other sources are equal to 18.81% of revenues.





Business-Type activities depend on charges for services as their primary revenue sources, as shown on the graph to the left. Charges for services account for 97.28% of the revenues needed to support the City's business activities.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the City's governmental funds reported combined ending fund balances of \$14,301,234, a decrease of \$7,320 in comparison with the prior year. Approximately 44% of this amount (\$6,348,649) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is nonspendable *restricted or assigned* to indicate that it is not available for new spending because it has already been restricted or assigned for the following:

\$ 95,353	Prepaid Items
4,906,763	Restricted for other Governmental Funds
2,950,469	Assigned for Governmental Funds
<u>\$ 7,952,585</u>	Total

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$6,348,649. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned general fund balance represents 55% of total 2021 budgeted general fund expenditures, and the total general fund balance also represents 55% of that same amount.

The fund balance of the City's general fund decreased by \$363,251 during the current year. Overall, the 2020 general fund revenues were in excess of the 2020 budgeted revenues, and 2020 general fund expenditures were less than the 2020 budgeted expenditures. With both increased revenue and decreased expense, one would assume the fund balance would have increased; however, a large portion of funding for the 2020 budget was a planned allocation from excess general fund reserves and prior year surplus. With the increase in revenue and decrease in expenses less reserves were needed to balance the budget. The decrease in the general fund was a result of a combination of increases and decreases to revenue and expense lines, the most prominent being:

- Increased state transportation aids
- State aid for COVID-19 expense relief offset by increased expenses due to COVID-19
- Reductions in investment income
- Reductions in room tax revenues
- Savings realized due to position vacancies
- Reduction of planned appropriations of general fund balance

The Capital Improvements Fund has a total fund balance of \$2,691,984. The entire amount is assigned. The TID District fund balances are restricted to carry out the project plans of the Districts.

Proprietary funds. The City's proprietary funds provide the same type of information found in the City's government-wide financial statements, but in more detail.

Unrestricted net position of the Utility fund at the end of the year amounted to \$10,586,322. The total decrease in unrestricted net position was \$88,358.

Unrestricted net position of the Solid Waste fund and Compost fund at the end of the year amounted to \$186,638. The total increase in unrestricted net position was \$18,738.

Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

Budgetary Highlights

Generally, the original budget is rarely modified. In most instances, when the budget is modified, the line item adjustments are made within the department or within the budgetary categories.

Following is a list of budget adjustments that were made in 2020 where the adjustments were made between different departments or budgetary categories:

- Transfer from Fire Department Overtime to Fire Department Part-Time Wages in the amount of \$31,200 for the new part-time Fire Inspector Position.
- Transfer from Trucks to Remodeling Maintenance in the capital fund in the amount of \$4,497 for additional funding needed to replace the siding at the Municipal Services garage.

Following is a list of budget amendments that were made in 2020:

- In 2020 a budget amendment was approved by the Common Council in the amount of \$93,000 for the Market Update Revaluation.

During the year, actual general fund revenues were more than budgeted revenues and appropriated balances by \$165,328 prior to applying budgeted appropriated balances and reserves. The 2020 budget contained \$1,573,497 in appropriated balances and reserves.

Actual expenditures were less than budgeted expenditures by \$786,659 in the general fund primarily due to lack of appropriations from the ERP contingency, allocation of staff time to other funds, position vacancies, and conservative spending in several other expense line items.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to \$104,044,845 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress. The total increase in the City's investment in capital assets for the current year was \$779,982 or roughly .76% compared to last year.

Major capital assets acquired or constructed during the year include:

- Replace Siding at Municipal Services
- Remodel City Hall – Safety & Service Improvements
- Downtown Restrooms
- Property Acquisition – Hillcrest
- Property Acquisition – 1227 Egg Harbor Rd
- Squad Car
- Assistant Fire Chief Vehicle
- One Ton Dump Truck
- Tandem Axle Dump Truck with a Plow
- Street Department Supervisor Vehicle
- Trackless with Blower
- Shoreline Improvements/Erosion Control
- Library Building Improvements
- Annual Storm Sewer Outlay
- Annual Road Resurfacing and Repair
- Annual Alley/Parking Lot Repair
- Annual Curbing & Sidewalk Repair
- Emergency Chlorine Shut-off Systems at 3 Wells
- Replaced Water & Sewer Mains on Shorecrest Rd./Nautical Dr.
- Installed GIS Mapping for Water/Wastewater
- Replaced Water Service Vehicle
- Replaced Screw Lift Pump at Treatment Plant
- Refurbished 2 Clarifiers at Treatment Plant
- Renewed WPDES Discharge Permit for 5 Years
- Rebuilt Shiloh Rd. Overhead Electric Line
- Installed Underground Electric on N. Lake Michigan Dr. and part of Lake Forest Park Rd.
- Replaced One Administrative Vehicle

City of Sturgeon Bay's Capital Assets						
(Governmental Activities are net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2020	2019 Restated	2020	2019	2020	2019 Restated
Land	\$ 5,593,504	\$ 5,306,856	\$ 276,084	\$ 276,084	\$ 5,869,588	\$ 5,582,940
Land improvements	775,465	919,555	-	-	775,465	919,555
Buildings	5,213,159	5,437,536	7,724,932	7,717,169	12,938,091	13,154,705
Machinery and equipment and vehicles	4,225,082	4,355,831	13,884,772	13,457,263	18,109,854	17,813,094
Infrastructure	37,704,733	37,916,434	66,825,910	64,922,969	104,530,643	102,839,403
Less: Utility and solid waste fund depreciation	-	-	(39,498,589)	(37,691,972)	(39,498,589)	(37,691,972)
Construction in progress	632,310	200,000	687,483	447,138	1,319,793	647,138
Total	\$ 54,144,253	\$ 54,136,212	\$ 49,900,592	\$ 49,128,651	\$104,044,845	\$ 103,264,863

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$26,554,438. Of this amount, \$26,554,438 comprises debt backed by the full faith and credit of the government. At the current time, the City debt portfolio does not include any taxable note anticipation notes.

City of Sturgeon Bay's Outstanding Debt General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation debt:						
Bonds	\$ 26,205,000	\$ 22,255,000	\$ -	\$ -	\$ 26,205,000	\$ 22,255,000
Notes	326,909	918,099	22,529	30,721	349,438	948,820
Total general obligation debt	\$ 26,531,909	\$ 23,173,099	\$ 22,529	\$ 30,721	26,554,438	23,203,820
Note anticipation note	-	3,315,000	-	-	-	3,315,000
Total	\$ 26,531,909	\$ 26,488,099	\$ 22,529	\$ 30,721	\$ 26,554,438	\$ 26,518,820

The City's total debt increased by \$35,618 during the current fiscal year. The key factor in this increase was primarily due to a new debt issue used to fund the majority of the 2020 CIP, refinancing a portion of the TID #4 notes into GO debt, offset by the retirement of a portion of the TID #2 bonds and prior general fund/capital fund debt.

The only outstanding debt of the Sturgeon Bay Utilities as of December 31, 2020 is the athletic field lighting loan that is shared with the City. The year-end balance is approximately \$22,500 for each party.

The City maintains an Aa3 rating from Moody's Investors Service for its general obligation debt. Moody's Investors Service, in their most recent rating for the City, commented that the Aa3 rating reflects the City's healthy financial position supported by conservative budgeting practices. The report also referenced the City's manageable exposure to post-retirement liabilities and above average debt burden, though a large portion of the debt is supported by the City's tax increment districts.

State statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is \$49,541,020, which is significantly in excess of the City's \$26,554,438, in outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of residential, manufacturing, tourism, service industry and retail activities which support our tax base.
- In 2020 the City received \$153,910 in federal Coronavirus Aid, Relief and Economic Security (CARES) funding via the Wisconsin Routes to Recovery Local Government Aid Grants to fund unbudgeted expenditures incurred because of the COVID-19 pandemic. In 2021, the City was allocated \$880,000 from the American Rescue Plan Act.
- Though the COVID-19 pandemic caused a negative impact to room tax revenues in 2020, it has been reported by the Sturgeon Bay visitor center, Destination Sturgeon Bay, advance bookings reported by the lodging entities for 2021 are strong.
- Inflationary trends in our region compare favorably to national indices.
- During the current year, unassigned fund balance in the general fund increased to \$6,348,649. The City has assigned fund balance in the amount of \$615,615 for spending in the 2021 fiscal year budget.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Director/City Treasurer, City of Sturgeon Bay, 421 Michigan St, Sturgeon Bay, WI 54235.

Basic Financial Statements

City of Sturgeon Bay, Wisconsin

Statement of Net Position

December 31, 2020

With Summarized Financial Information as of December 31, 2019

	Governmental Activities	Business-type Activities	Totals	
			2020	2019 Restated
Assets:				
Cash	\$ 1,672,304	\$ 1,106,204	\$ 2,778,508	\$ 4,001,714
Investments	13,768,094	6,738,639	20,506,733	19,869,704
Receivables				
Taxes	8,639,107	-	8,639,107	7,434,628
Delinquent taxes	304,344	-	304,344	314,722
Accounts	118,195	2,344,383	2,462,578	2,168,452
Loans	-	-	-	382,810
Other	-	429,721	429,721	224,427
Internal balances	1,011,606	(1,011,606)	-	-
Inventories and prepaid items	95,353	777,303	872,656	822,215
Investment in American Transmission Company	-	2,627,976	2,627,976	2,517,829
Net pension asset	1,349,253	334,482	1,683,735	-
Land held for resale	-	42,000	42,000	42,000
Restricted assets:				
Investments	-	539,065	539,065	538,118
Capital assets, nondepreciable	6,225,814	963,567	7,189,381	6,230,078
Capital assets, depreciable, net	47,918,439	48,937,025	96,855,464	97,034,785
Total assets	81,102,509	63,828,759	144,931,268	141,581,482
Deferred outflows of resources:				
Loss on advance refunding	115,712	-	115,712	199,419
Deferred outflows related to pensions/OPEB	3,389,539	779,867	4,169,406	4,980,080
Total deferred outflows of resources	3,505,251	779,867	4,285,118	5,179,499
Liabilities:				
Accounts payable	865,521	1,799,638	2,665,159	1,821,001
Other accrued liabilities	332,022	9,626	341,648	300,464
Due to other governments	900	-	900	98
Accrued interest payable	128,685	-	128,685	146,257
Special deposits	-	131,016	131,016	152,431
Long-term obligations				
Due within one year	3,009,471	8,192	3,017,663	5,511,749
Due in more than one year	25,406,151	467,335	25,873,486	26,992,513
Total liabilities	29,742,750	2,415,807	32,158,557	34,924,513
Deferred inflows of resources:				
Property taxes	9,804,981	-	9,804,981	9,356,256
Deferred inflows related to pensions/OPEB	4,125,187	1,002,731	5,127,918	2,587,092
Total deferred inflows of resources	13,930,168	1,002,731	14,932,899	11,943,348
Net position:				
Net investment in capital assets	27,186,686	49,878,063	77,064,749	76,504,410
Restricted	4,906,763	539,065	5,445,828	3,677,215
Unrestricted	8,841,393	10,772,960	19,614,353	19,711,495
Total net position	\$ 40,934,842	\$ 61,190,088	\$ 102,124,930	\$ 99,893,120

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Activities

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,427,829	\$ 214,568	\$ -	\$ -
Public safety	2,874,567	520,417	181,837	-
Public works	4,956,348	25,243	551,142	-
Culture, recreation and education	790,445	178,744	44,459	362,000
Conservation and development	1,343,567	-	-	30,000
Interest and fiscal charges	750,307	-	-	-
Total governmental activities	13,143,063	938,972	777,438	392,000
Business-type activities:				
Sewer utility	1,917,440	2,120,445	-	-
Water utility	1,938,131	2,261,829	-	-
Electric utility	13,995,502	14,726,500	-	72,438
Solid waste utility	587,206	505,827	-	-
Total business-type activities	18,438,279	19,614,601	-	72,438
Total	\$ 31,581,342	\$ 20,553,573	\$ 777,438	\$ 464,438
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Tax increments				
Other taxes				
Federal and state grants and other contributions not restricted to specific functions				
Investment income				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning, as restated				
Net position - ending				

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Activities - Continued

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

Governmental Activities	Business-type Activities	Net (Expense) Revenue and Changes in Net Position	
		2020	2019
\$ (2,213,261)	\$ -	\$ (2,213,261)	\$ (1,009,774)
(2,172,313)	-	(2,172,313)	(5,580,794)
(4,379,963)	-	(4,379,963)	(3,898,767)
(205,242)	-	(205,242)	(542,261)
(1,313,567)	-	(1,313,567)	(969,631)
(750,307)	-	(750,307)	(719,311)
(11,034,653)	-	(11,034,653)	(12,720,538)
-	203,005	203,005	411,213
-	323,698	323,698	694,079
-	803,436	803,436	618,362
-	(81,379)	(81,379)	(2,908)
-	1,248,760	1,248,760	1,720,746
(11,034,653)	1,248,760	(9,785,893)	(10,999,792)
6,343,055	-	6,343,055	6,380,919
3,030,876	-	3,030,876	2,709,195
257,405	-	257,405	304,824
1,103,982	-	1,103,982	1,086,227
113,563	385,378	498,941	846,671
692,116	91,328	783,444	329,523
1,014,006	(1,014,006)	-	-
12,555,003	(537,300)	12,017,703	11,657,359
1,520,350	711,460	2,231,810	657,567
39,414,492	60,478,628	99,893,120	99,235,553
\$ 40,934,842	\$ 61,190,088	\$ 102,124,930	\$ 99,893,120

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Balance Sheet

Governmental Funds

December 31, 2020

With Summarized Financial Information as of December 31, 2019

	General	Capital Improvements	TID No. 2	Nonmajor Governmental Funds	Totals	
					2020	2019
Assets:						
Cash	\$ 90,492	\$ 1,323,328	\$ -	\$ 258,485	\$ 1,672,305	\$ 2,647,522
Investments	7,355,147	1,359,356	3,157,941	1,895,649	13,768,093	13,256,018
Receivables						
Taxes	5,676,157	217,768	1,646,918	1,098,264	8,639,107	7,434,628
Delinquent taxes	304,344	-	-	-	304,344	314,722
Accounts	108,128	10,067	-	-	118,195	80,352
Loans	-	-	-	-	-	382,810
Due from other funds	1,158,433	-	-	-	1,158,433	924,968
Inventories and prepaid items	95,353	-	-	-	95,353	104,299
Total assets	\$ 14,788,054	\$ 2,910,519	\$ 4,804,859	\$ 3,252,398	\$ 25,755,830	\$ 25,145,319
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Accounts payable	\$ 864,754	\$ 767	\$ -	\$ -	\$ 865,521	\$ 439,803
Other accrued liabilities	332,022	-	-	-	332,022	296,430
Due to other funds	-	-	2,516	144,311	146,827	46,646
Due to other governments	900	-	-	-	900	98
Total liabilities	1,197,676	767	2,516	144,311	1,345,270	782,977
Deferred inflows of resources:						
Property taxes	6,842,031	217,768	1,646,918	1,098,264	9,804,981	9,356,256
Loans receivable	-	-	-	-	-	382,810
Special assessments	304,345	-	-	-	304,345	314,722
Total deferred inflows of resources	7,146,376	217,768	1,646,918	1,098,264	10,109,326	10,053,788
Fund balances:						
Nonspendable	95,353	-	-	-	95,353	104,299
Restricted	-	-	3,155,425	1,751,338	4,906,763	5,252,911
Assigned	-	2,691,984	-	258,485	2,950,469	2,248,390
Unassigned	6,348,649	-	-	-	6,348,649	6,702,954
Total fund balances	6,444,002	2,691,984	3,155,425	2,009,823	14,301,234	14,308,554
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,788,054	\$ 2,910,519	\$ 4,804,859	\$ 3,252,398	\$ 25,755,830	\$ 25,145,319

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Reconciliation of the Balance Sheet - Governmental Funds - to the Statement of Net Position

December 31, 2020

With Summarized Financial Information as of December 31, 2019

	2020	2019
Total fund balance - governmental funds	\$ 14,301,234	\$ 14,308,554
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements	54,144,253	54,136,212
The net pension asset is not an available resource and therefore is not reported in the fund statements	1,349,253	-
Other long-term assets are not available to pay current expenditures and therefore are deferred in the funds	304,345	697,532
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the fund statements:		
Loss on advance refunding	115,712	199,419
Deferred outflows of resources	3,389,539	3,972,710
Deferred inflows of resources	(4,125,187)	(2,073,853)
Some liabilities are not due and payable in the current period and, therefore are not reported in the funds:		
Bonds and notes payable	(26,531,909)	(26,492,950)
Debt premium	(425,658)	(236,782)
Compensated absences	(939,262)	(868,095)
Net pension liability	-	(1,445,011)
Post-employment health benefits payable	(518,793)	(2,636,987)
Accrued interest on long-term obligations	(128,685)	(146,257)
Total net position of governmental activities	<u>\$ 40,934,842</u>	<u>\$ 39,414,492</u>

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	General	Capital Improvements	TID No. 2	Nonmajor Governmental Funds	Totals	
					2020	2019
Revenues:						
Taxes	\$ 6,586,498	\$ 706,620	\$ 1,338,674	\$ 985,582	\$ 9,617,374	\$ 9,381,033
Special assessments	-	10,378	-	-	10,378	78,564
Intergovernmental	1,721,496	367,022	40,319	97,236	2,226,073	1,716,043
Licenses and permits	179,215	-	-	141,927	321,142	366,382
Fines and forfeits	32,873	2,475	-	-	35,348	42,203
Public charges for services	218,223	3,000	-	-	221,223	221,991
Intergovernmental charges	607,095	-	-	-	607,095	514,392
Miscellaneous	210,852	374,786	15,363	20,151	621,152	522,051
Total revenues	9,556,252	1,464,281	1,394,356	1,244,896	13,659,785	12,842,659
Expenditures:						
Current:						
General government	1,487,768	-	-	492,286	1,980,054	1,566,945
Public safety	4,847,994	-	-	-	4,847,994	4,481,598
Public works	1,391,060	-	-	-	1,391,060	1,419,604
Culture and recreation	747,131	-	-	-	747,131	723,768
Conservation and development	665,622	-	105,751	569,889	1,341,262	954,108
Debt service:						
Principal	1,249,589	-	1,091,601	60,000	2,401,190	2,149,290
Interest and fiscal charges	226,237	-	355,778	195,464	777,479	695,616
Capital outlay	-	3,842,924	-	233,533	4,076,457	3,586,738
Total expenditures	10,615,401	3,842,924	1,553,130	1,551,172	17,562,627	15,577,667
Excess of revenues over (under) expenditures	(1,059,149)	(2,378,643)	(158,774)	(306,276)	(3,902,842)	(2,735,008)
Other Financing Sources (Uses)						
Sales of capital assets	-	105,584	-	53,600	159,184	187,630
Long-term debt issued	-	2,345,000	1,985,000	3,415,000	7,745,000	2,345,000
Premium on debt issued	-	214,316	8,938	54,078	277,332	52,746
Refinancing debt payment	-	-	(1,985,000)	(3,315,000)	(5,300,000)	-
Transfers in	1,250,103	554,205	808,637	-	2,612,945	2,486,286
Transfers out	(554,205)	(220,214)	-	(824,520)	(1,598,939)	(1,605,564)
Total other financing sources (uses)	695,898	2,998,891	817,575	(616,842)	3,895,522	3,466,098
Net Change in Fund Balances	(363,251)	620,248	658,801	(923,118)	(7,320)	731,090
Fund Balances - Beginning	6,807,253	2,071,736	2,496,624	2,932,941	14,308,554	13,577,464
Fund Balances - Ending	\$ 6,444,002	\$ 2,691,984	\$ 3,155,425	\$ 2,009,823	\$ 14,301,234	\$ 14,308,554

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	2020	2019
Net change in fund balance - governmental funds	\$ (7,320)	\$ 731,090
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures reported in governmental fund statements	2,681,697	3,006,108
Depreciation expense reported in the statement of activities	(2,566,202)	(2,790,009)
Net book value of disposals	(107,453)	(1,500)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(393,187)	161,096
Certain expenses are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits changed by:		
Amortization of premiums, discounts and loss on advance refunding	9,600	(20,182)
Compensated absences	(71,167)	(82,360)
Pension amounts	(27,474)	(523,635)
Other postemployment benefits	2,305,427	(984,490)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(8,022,332)	(2,397,746)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:	7,701,190	2,142,188
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.	17,571	3,589
Change in net position - governmental activities	\$ 1,520,350	\$ (755,851)

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Net Position

Proprietary Funds

December 31, 2020

With Summarized Financial Information as of December 31, 2019

	Sewer Utility	Water Utility	Electric Utility	Nonmajor Funds	Totals	
					2020	2019
Assets:						
Current assets:						
Cash	\$ -	\$ -	\$ 921,717	\$ 184,487	\$ 1,106,204	\$ 1,354,192
Investments	3,144,249	976,116	2,618,274	-	6,738,639	6,613,686
Receivables						
Accounts	208,134	300,966	1,835,283	-	2,344,383	2,088,100
Other	36,241	671	391,441	1,368	429,721	224,427
Due from other funds	720,152	290,275	-	62,375	1,072,802	904,183
Inventory	8,405	129,045	587,736	-	725,186	680,975
Prepaid items	-	-	48,968	3,149	52,117	36,941
Total current assets	4,117,181	1,697,073	6,403,419	251,379	12,469,052	11,902,504
Noncurrent assets:						
Restricted assets:						
Investments	539,065	-	-	-	539,065	538,118
Investment in American Transmission Company	-	-	2,627,976	-	2,627,976	2,517,829
Net pension asset	28,214	29,033	253,979	23,256	334,482	-
Land held for resale	-	42,000	-	-	42,000	42,000
Capital assets, nondepreciable	396,513	444,570	122,484	-	963,567	723,222
Capital assets, depreciable	10,053,370	13,482,863	25,317,232	83,560	48,937,025	48,405,429
Total capital assets, net of accumulated depreciation	10,449,883	13,927,433	25,439,716	83,560	49,900,592	49,128,651
Total noncurrent assets	11,017,162	13,998,466	28,321,671	106,816	53,444,115	52,226,598
Total assets	15,134,343	15,695,539	34,725,090	358,195	65,913,167	64,129,102
Deferred outflows of resources:						
Deferred outflows related to pensions	65,783	67,691	592,170	54,223	779,867	1,007,370
Total assets and deferred outflows of resources	\$ 15,200,126	\$ 15,763,230	\$ 35,317,260	\$ 412,418	\$ 66,693,034	\$ 65,136,472

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Net Position - Continued

Proprietary Funds

December 31, 2020

With Summarized Financial Information as of December 31, 2019

	Sewer Utility	Water Utility	Electric Utility	Nonmajor Funds	Totals	
					2020	2019
Liabilities:						
Current liabilities:						
Accounts payable	\$ 312,169	\$ 167,832	\$ 1,319,137	\$ 500	\$ 1,799,638	\$ 1,381,198
Other accrued liabilities	-	-	-	9,626	9,626	4,034
Due to other funds	290,275	94,405	1,637,353	62,375	2,084,408	1,782,505
Customer deposits	-	-	131,016	-	131,016	152,431
Current portion of long-term debt	-	-	8,192	-	8,192	-
Total current liabilities	602,444	262,237	3,095,698	72,501	4,032,880	3,320,168
Noncurrent liabilities:						
General obligation debt	-	-	14,337	-	14,337	30,721
Compensated absences	51,697	55,165	346,136	-	452,998	422,357
Net pension liability	-	-	-	-	-	371,359
Total noncurrent liabilities	51,697	55,165	360,473	-	467,335	824,437
Total liabilities	654,141	317,402	3,456,171	72,501	4,500,215	4,144,605
Deferred inflows of resources:						
Related to pensions	84,582	87,035	761,395	69,719	1,002,731	513,239
Total liabilities and deferred inflows of resources	738,723	404,437	4,217,566	142,220	5,502,946	4,657,844
Net position:						
Net investment in capital assets	10,449,883	13,927,433	25,417,187	83,560	49,878,063	49,097,930
Restricted	539,065	-	-	-	539,065	538,118
Unrestricted	3,472,455	1,431,360	5,682,507	186,638	10,772,960	10,842,580
Total net position	14,461,403	15,358,793	31,099,694	270,198	61,190,088	60,478,628
Total liabilities, deferred inflows of resources and net position	\$ 15,200,126	\$ 15,763,230	\$ 35,317,260	\$ 412,418	\$ 66,693,034	\$ 65,136,472

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	Sewer Utility	Water Utility	Electric Utility	Nonmajor Funds	Totals	
					2020	2019
Operating revenues:						
Charges for services	\$ 2,118,787	\$ 2,165,954	\$ 14,399,962	\$ 505,827	\$ 19,190,530	\$ 19,210,870
Other operating revenues	1,658	95,875	326,538	-	424,071	673,259
Total operating revenues	2,120,445	2,261,829	14,726,500	505,827	19,614,601	19,884,129
Operating expenses:						
Operation and maintenance	1,550,962	1,358,256	12,344,013	539,816	15,793,047	15,675,992
Depreciation	366,478	579,875	1,649,270	47,390	2,643,013	2,528,398
Total operating expenses	1,917,440	1,938,131	13,993,283	587,206	18,436,060	18,204,390
Operating income	203,005	323,698	733,217	(81,379)	1,178,541	1,679,739
Nonoperating revenues (expenses):						
Interest income	69,985	18,617	296,776	-	385,378	477,473
Interest expense	-	-	(2,219)	-	(2,219)	(3,971)
Other	73	483	35,645	55,127	91,328	95,920
Total nonoperating revenues (expenses)	70,058	19,100	330,202	55,127	474,487	569,422
Net income before transfers	273,063	342,798	1,063,419	(26,252)	1,653,028	2,249,161
Capital contributions	-	-	72,438	-	72,438	44,978
Transfers out	-	(416,683)	(594,923)	(2,400)	(1,014,006)	(880,722)
Change in net position	273,063	(73,885)	540,934	(28,652)	711,460	1,413,417
Net position - beginning	14,188,340	15,432,678	30,558,760	298,850	60,478,628	59,065,211
Net position - ending	\$ 14,461,403	\$ 15,358,793	\$ 31,099,694	\$ 270,198	\$ 61,190,088	\$ 60,478,628

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	Sewer Utility	Water Utility	Electric Utility	Nonmajor Funds	Totals	
					2020	2019
Cash flows from operating activities:						
Cash received from customers	\$ 2,109,540	\$ 2,329,658	\$ 14,186,446	\$ 505,965	\$ 19,131,609	\$ 19,847,263
Cash payments to suppliers	(1,157,873)	(1,000,125)	(11,415,774)	(340,167)	(13,913,939)	(14,184,544)
Cash payments to employees	(230,815)	(232,711)	(816,601)	(192,541)	(1,472,668)	(1,421,066)
Net cash provided (used) by operating activities	720,852	1,096,822	1,954,071	(26,743)	3,745,002	4,241,653
Cash flows from noncapital financing activities:						
Other nonoperating revenue	73	483	35,645	55,127	91,328	95,920
Due to/from other funds	(106,244)	(299,300)	538,828	-	133,284	(6,095)
Transfer out	-	(416,683)	(594,923)	(2,400)	(1,014,006)	(880,722)
Net cash provided (used) by noncapital financing activities	(106,171)	(715,500)	(20,450)	52,727	(789,394)	(790,897)
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(642,650)	(389,056)	(2,383,248)	-	(3,414,954)	(3,911,609)
Capital contributions	-	-	72,438	-	72,438	44,978
Principal payments on long-term debt	-	-	(8,192)	-	(8,192)	(8,192)
Interest payments on long-term debt	-	-	(2,219)	-	(2,219)	(3,971)
Net cash provided (used) by capital and related financing activities	(642,650)	(389,056)	(2,321,221)	-	(3,352,927)	(3,878,794)
Cash flows from investing activities:						
Purchase of investments	(42,016)	(10,883)	(183,148)	-	(236,047)	(373,498)
Interest income received	69,985	18,617	296,776	-	385,378	477,473
Net cash provided (used) by investing activities	27,969	7,734	113,628	-	149,331	103,975
Change in cash and cash equivalents	-	-	(273,972)	25,984	(247,988)	(324,063)
Cash and cash equivalents - beginning	-	-	1,195,689	158,503	1,354,192	1,678,255
Cash and cash equivalents - ending	\$ -	\$ -	\$ 921,717	\$ 184,487	\$ 1,106,204	\$ 1,354,192

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Cash Flows - Continued

Proprietary Funds

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	Sewer Utility	Water Utility	Electric Utility	Nonmajor Funds	Totals	
					2020	2019
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income	\$ 203,005	\$ 323,698	\$ 733,217	\$ (81,379)	\$ 1,178,541	\$ 1,679,739
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	366,478	579,875	1,649,270	47,390	2,643,013	2,528,398
Change in pension related assets, deferred outflows, liabilities and deferred inflows	1,117	891	8,116	1,030	11,154	134,571
Changes in assets and liabilities						
Receivables	(10,905)	67,829	(518,639)	138	(461,577)	(27,818)
Inventory	(548)	(22,427)	(21,236)	-	(44,211)	(42,761)
Prepaid items	-	-	(15,162)	(14)	(15,176)	(15,735)
Accounts payable	158,821	143,878	115,241	500	418,440	(31,481)
Accrued and other current liabilities	-	-	-	5,592	5,592	375
Customer deposits	-	-	(21,415)	-	(21,415)	(9,048)
Compensated absences	2,884	3,078	24,679	-	30,641	25,413
Net cash provided (used) by operating activities	\$ 720,852	\$ 1,096,822	\$ 1,954,071	\$ (26,743)	\$ 3,745,002	\$ 4,241,653

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Fiduciary Net Position - Fiduciary Funds December 31, 2020

	<u>Custodial Funds</u>
Assets:	
Cash	\$ 1,794,088
Receivables	
Taxes	<u>12,405,547</u>
Total assets	<u><u>\$ 14,199,635</u></u>
Liabilities:	
Due to other governments	<u><u>\$ 14,199,635</u></u>

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Statement of Changes in Fiduciary Net Position - Fiduciary Funds December 31, 2020

	<u>Custodial Funds</u>
Additions:	
Property tax collections for other governments	<u>\$ 12,373,758</u>
Deductions:	
Payments of property taxes to other governments	<u>12,373,758</u>
Net increase in fiduciary net position	-
Net position - beginning of year	<u>-</u>
Net position - end of year	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The City of Sturgeon Bay, Wisconsin (the "City") is located in Door County, Wisconsin, and was incorporated under the provisions of the constitution and general statutes of the state of Wisconsin. The City operates under a mayor-council form of government and provides a full range of services including public safety, roads, sanitation, culture and recreation, planning, and general administrative services. The accompanying financial statements conform to accounting principles generally accepted in the United States as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant accounting policies of the City.

The Financial Reporting Entity

This report includes all of the funds of the City of Sturgeon Bay, Wisconsin. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. According to this criteria, the City has not identified any component units that are required to be included in the basic financial statements.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Jointly Governed Organizations

Door County Library

The City is a participant with Door County, Wisconsin in a joint venture to operate the Door County Library. The Door County Library is governed by a seven member board composed of two members of the City Council and five members appointed by Door County. The City and County are obligated by agreement to fund one-half of the utilities, janitorial service, insurance, maintenance and repair and related supplies for grounds, building, its contents and equipment located at the library. During the current year, the City remitted an appropriation of \$78,076 to Door County for the library. The library building is owned by the City and is included in the capital assets of the governmental activities. Complete financial statements for the Door County Library can be obtained from Door County at 421 Nebraska St. Sturgeon Bay, Wisconsin 54235.

Door County Tourism Zone

The City is a participant with all other Door County municipalities in a joint venture to create the Door County Tourism Zone as prescribed under Wisconsin Statute 66.0615. The Tourism Zone is responsible for collecting a 5.5% room tax on the gross receipts from retail furnishing of rooms or lodgings over all of the member municipalities. The Tourism Zone pays 66% of the collections to the Door County Visitor Bureau, 30% to the member municipalities and retains 4% for its operations. During the current year, the City received \$150,984 of room tax from the Tourism Zone. Complete financial information for the Door County Tourism Zone Commission can be obtained from its office in Sister Bay, Wisconsin. Revenue received is recorded in the general fund of the City.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. Fiduciary funds are organized by fund type. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type.
- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.
- In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Major Funds

The City reports the following major governmental funds:

General Fund – This is the City's primary operating fund. It accounts for all the financial activity that is not accounted for and reported in another fund.

Capital Improvements Fund – This fund accounts for the acquisition or construction of major capital facilities other than those financed by proprietary fund types.

Tax Incremental District No. 2 – This fund is used to account for the project plan costs of the City's Tax Incremental District No. 2.

The City reports the following major proprietary funds:

Sewer Utility – The Sewer Utility accounts for the operations of the City's sanitary sewer system.

Water Utility – The Water Utility accounts for the operations of the City's water system.

Electric Utility – The Electric Utility accounts for the operations of the City's electric utility system.

Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year. Expenditures are recognized when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as fund liabilities when expected to be paid with expendable available financial resources.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

The City's share of property taxes is recorded in the year levied as a receivable and a deferred inflow of resources. Property taxes are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school districts and technical college district. Taxes for all state and local governmental units (other than the City) billed in the current year for the succeeding year are reflected as due to other taxing units in the accompanying statement of net position and balance sheet.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

In the government-wide financial statements, special assessments are recognized as revenues when levied against the benefiting properties. In governmental fund financial statements, special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and unavailable revenues in the General Fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest.

Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary funds are accounted for on the accrual basis. Revenues such as user fees are recognized in the accounting period in which they are earned; expenses are recognized in the period incurred. Water service charges to consumers are billed at rates established by the Wisconsin Public Service Commission. Waste water, storm water, and solid waste service charges to consumers are billed at rates established by the City's common council. All classes of utility consumers are billed on a quarterly basis, except parking utility for which revenue is generated from meters and parking lot permit fees.

Cash and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments of individual funds are pooled unless maintained in segregated accounts and are carried at fair value.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables and Revenue Recognition

Under Wisconsin law, personal property taxes and the first installment of real estate taxes are due January 31 and are collected by city, village, and town treasurers or clerks, who then make settlements with school districts and with county treasurers for certain purposes. By contractual agreement, the County Treasurer collects the taxes through January on behalf of the City. These transactions are accounted for in the General Fund. The second installment of real estate taxes (due July 31) and delinquent taxes are collected and settled by the county treasurer.

The 2019 tax levy is budgeted as property tax revenue for the year 2020 and is recognized as revenue in 2020 to the extent available. Real property tax assessments for the 2019 tax levy were based on assessed valuations as of January 1, 2019. The City levied property taxes pursuant to law in December 2019, at which time an enforceable legal claim is attached to properties. Door County obtains liens on property for which taxes are delinquent on the third Tuesday in October each year. The County pays the City in full for real estate taxes by August 31 each year.

Since the property taxes are levied for the subsequent year, the property taxes due governmental funds for City purposes are recorded as a deferred inflow of resources in the governmental funds. This amount is recognized as revenue in the following year. Property taxes due to other governments are recorded as liabilities.

In determining when to recognize intergovernmental revenues (grants, subsidies, and shared revenues), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements, e.g., equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Unearned revenue is recorded for grant funds received but not earned. A receivable is recorded for grant funds earned but not received.

Income from investments is recognized when earned.

Special assessments receivable are recorded as levied. Current revenues represent the amounts considered available as explained above.

Inventories and Prepaid Items

Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. Inventory items are expensed in the period used. Any materials and supplies on hand at year-end are valued at the lower of cost, determined on the first-in, first out (FIFO) method, or market. Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant.

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepayments. The cost of these services is recorded as expense when consumed rather than when purchased.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The City maintains a threshold level of \$5,000 or more for capitalizing assets.

Capital assets are recorded in the government-wide financial statements but are not reported in the governmental funds financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the City, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 15 to 100 years for infrastructure, site improvements, and buildings and 5 to 10 years for equipment.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

Capital assets not being depreciated include land and construction in progress.

Restricted Cash and Investments

Assets whose use is restricted by bond agreements, regulatory agencies, or enabling legislation are reported as restricted.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Internal balances between funds of the governmental activities or funds of the business-type activities are eliminated in the government-wide financial statements.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investment in American Transmission Company (ATC)

The City is a member of ATC. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The City owns less than 1 percent of ATC.

The investment earns dividends quarterly, some of which are paid in cash and some of which are required to be reinvested. From time to time, the City has the option to contribute additional funds to maintain its proportionate share of ownership. The investment in American Transmission Company LLC is recorded at cost since it is privately held and has no readily available fair market value. The City's ownership share is valued at \$2,627,976 as of December 31, 2020, and is reported on the Statement of Net Position as an asset.

Customer Deposits

The balance represents amounts collected from customers which may be refundable based on rules filed with the Public Service Commission of Wisconsin (PSCW) or statutory requirements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two types of items that qualify for reporting in this category. They are the deferred amount on refunding and the deferred outflows related to pensions and OPEB. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions represent the City's proportionate share of collective deferred outflows of resources related to pensions and City's contributions to pension and OPEB plans subsequent to the measurement date of the collective net pension/OPEB liability (asset) for the WRS and LRLIF plans.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. The first is property taxes levied for the subsequent year. These amounts are deferred and recognized as an inflow of resources in the following year as the amounts become available. The second is deferred inflows of resources related to pensions for its proportionate share of the collective deferred inflows of resources related to pensions for the WRS plan and OPEB for the LRLIF plan. The third is unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements or employee benefit policy. Employees may accumulate sick leave up to 100 days pay. Upon retirement, police department employees may take 50 days of unused sick leave in cash or apply up to 100 days of unused sick pay towards health insurance premiums. Fire department employees are only allowed to apply up to 100 days of unused sick leave pay towards health insurance premiums. Upon retirement, all other employees will be paid for all unused sick leave days. If an employee leaves for reasons other than retirement, all unused sick leave is forfeited. Sturgeon Bay Utilities' employees are allowed to accumulate earned but unused vacation and sick leave benefits in accordance with employee benefit policy. Employees are allowed to accumulate up to 125 days of sick leave. Upon retirement, disability or death, unused sick leave credits shall be paid out to the employee. Qualified retirement means the employee is entitled to retirement benefits from the Wisconsin Retirement System. The above credit would be reduced by the percentage reduction in retirement benefits if employee elects early retirement. Vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. The liability for this benefit is liquidated by the fund in which the employee is paid.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the term of the related debt.

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

Pension Plan

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

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Other Post-Employment Benefits

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

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance (adjusted for unspent proceeds) of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide and proprietary fund financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not a spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantor, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the City Council – the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

Assigned fund balance: This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City's common council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Prior Year Information

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the City's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Note 2: Excess of Expenditures over Budget Appropriations

For the year ended December 31, 2020, the following departments had actual expenditures in excess of budget appropriations:

Department	Budget	Actual
Elections	\$ 27,505	\$ 40,235
Assessment of property	107,480	212,985
Fire department	1,994,000	2,046,096
Building/zoning	101,565	111,152
Public works administration	156,375	161,000
Storm sewer	33,600	37,799
Roadway of streets	191,515	236,735
Street sweeping	36,350	46,885
Highways	317,980	327,040
Principal retirement	1,245,150	1,255,880
Interest and fiscal charges	208,305	219,946

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 3: Cash and Investments

Deposits

Deposits at each bank in the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and \$250,000 for all demand deposit accounts (interest-bearing and non-interest-bearing). Accounts at each institution outside the state of Wisconsin are insured by the FDIC up to \$250,000 for the combined total of all deposit accounts. In addition, the State of Wisconsin Public Depository Guarantee Fund guarantees the City's deposits up to \$400,000 per public depository. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does have a deposit policy for custodial credit risk. Funds may be only invested up to \$500,000 at any financial institution unless the excess is collateralized.

As of December 31, 2020, none of the City's bank balance of \$4,615,731 was exposed to custodial credit risk, as \$735,408 was covered by FDIC insurance, \$800,000 was covered by the State of Wisconsin and \$3,080,323 was covered by collateral held in the City's name.

Investments

Investment in Wisconsin Local Government Investment Pool: The City has investments in the Wisconsin local government investment pool (LGIP) of \$15,914,681 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. The investment in LGIP is not subject to the fair value hierarchy disclosures.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2020:

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

Investment Type	Total	Level 1	Level 2	Level 3
Corporate bonds	\$ 515,366	\$ -	\$ 515,366	\$ -
Fannie Mae	227,691	-	227,691	-
Federal Farm Credit Banks Debenture	40,254	-	40,254	-
Federal Home Loans Banks Debenture	285,078	-	285,078	-
Federal Home Loan Mortgage	657,867	-	657,867	-
Federal National Mortgage Association	215,372	-	215,372	-
Freddie Mac	11,738	-	11,738	-
Negotiable Certificates of Deposit	1,850,961	-	1,850,961	-
Private Export Funding Corp	297,438	-	297,438	-
US Treasury Notes	1,029,352	-	1,029,352	-
Total	\$ 5,131,117	\$ -	\$ 5,131,117	\$ -

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does have a deposit policy for custodial credit risk. No more than 50% of the total investments should extend beyond 5 years and in no circumstance should extend beyond 10 years with the exception of the City's investment in American Transmission Company. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Corporate bonds	\$ 515,366	\$ 102,437	\$ 312,967	\$ 92,476	\$ 7,486
Fannie Mae	227,691	-	111,618	63,586	52,487
Federal Farm Credit Banks Debenture	40,254	40,254	-	-	-
Federal Home Loans Banks Debenture	285,078	233,783	51,295	-	-
Federal Home Loan Mortgage	657,867	129,007	333,968	194,892	-
Federal National Mortgage Association	215,372	61,066	-	154,306	-
Freddie Mac	11,738	-	-	11,738	-
Negotiable Certificates of Deposit	1,850,961	1,346,168	504,793	-	-
Private Export Funding Corp	297,438	139,217	158,221	-	-
US Treasury Notes	1,029,352	225,519	440,397	322,409	41,027
Wisconsin local government investment pool	15,914,681	15,914,681	-	-	-
Total	\$ 21,045,798	\$ 18,192,132	\$ 1,913,259	\$ 839,407	\$ 101,000

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

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

Investment Type	Total	Unrated	AAA	AA+	AA-	AA	A
Corporate bonds	\$ 629,545	\$ -	\$ 69,162	\$ 157,647	\$ 111,234	\$ 63,144	\$ 114,179
Fannie Mae	227,691	227,691	-	-	-	-	-
Federal Farm Credit Banks Debenture	40,254	-	-	40,254	-	-	-
Federal Home Loans Banks Debenture	285,078	-	-	285,078	-	-	-
Federal Home Loan Mortgage	657,867	236,056	-	421,811	-	-	-
Federal National Mortgage Association	215,372	154,974	-	60,398	-	-	-
Freddie Mac	11,738	11,738	-	-	-	-	-
Negotiable Certificates of Deposit	1,850,961	1,850,961	-	-	-	-	-
Private Export Funding Corp	297,438	-	-	297,438	-	-	-
US Treasury Notes	1,029,352	-	1,029,352	-	-	-	-
Wisconsin local government investment pool	15,914,681	15,914,681	-	-	-	-	-
Total	\$ 21,159,977	\$ 18,396,101	\$ 1,098,514	\$ 1,262,626	\$ 111,234	\$ 63,144	\$ 114,179

Note 4: Restricted Investments

Mandatory segregations of assets are presented on the statement of net position as restricted cash and investments. Such segregations are required by bond agreements, regulatory agencies, or enabling legislation. Restricted investments at December 31, 2020 totaled \$539,065 held for the replacement of wastewater treatment mechanical equipment as required by the Wisconsin Department of Natural Resources.

Note 5: Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables in the fund financial statements:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General Fund	Revolving Loan	\$ 10,252
General Fund	TID No. 2	2,516
General Fund	TID No. 3	667
General Fund	TID No. 4	133,392
General Fund	Water Utility	94,405
General Fund	Electric Utility	917,201
Sewer Utility	Electric Utility	720,152
Water Utility	Sewer Utility	290,275
Solid Waste	Compost site	62,375
		\$ 2,231,235

The interfund balances from the Water Utility and Electric Utility to the General Fund was related to tax equivalents to be paid in the subsequent year. The remaining amounts are to cover overdrafts of pooled cash accounts or budgeted transfers not made at year end. All amounts are expected to be repaid within the next fiscal year.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 6: Capital Assets

Capital asset balances and activity for the year ended December 31, 2020, were as follows:

Governmental activities:	Balance 12/31/19, as restated	Increases	Decreases	Balance 12/31/20
Capital assets, not being depreciated:				
Land	\$ 5,306,856	\$ 382,768	\$ 96,120	\$ 5,593,504
Construction in progress	200,000	432,310	-	632,310
Total capital assets, not being depreciated	5,506,856	815,078	96,120	6,225,814
Capital assets, being depreciated:				
Land improvements	5,345,366	-	-	5,345,366
Buildings and improvements	10,149,271	-	-	10,149,271
Machinery and equipment	10,418,183	520,696	501,437	10,437,442
Infrastructure	60,922,788	1,345,923	1,392,973	60,875,738
Total capital assets, being depreciated	86,835,608	1,866,619	1,894,410	86,807,817
Accumulated depreciation:				
Land improvements	4,425,811	144,090	-	4,569,901
Buildings and improvements	4,711,735	224,377	-	4,936,112
Machinery and equipment	6,062,352	644,107	494,099	6,212,360
Infrastructure	23,006,355	1,553,628	1,388,978	23,171,005
Total accumulated depreciation	38,206,253	2,566,202	1,883,077	38,889,378
Total capital assets, being depreciated, net	48,629,355	(699,583)	11,333	47,918,439
Governmental activities capital assets, net	\$ 54,136,211	\$ 115,495	\$ 107,453	\$ 54,144,253

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 44,398
Public safety	368,889
Public works	2,128,485
Culture, recreation, and education	24,430
Total depreciation expense, governmental activities	\$ 2,566,202

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 6: Capital Assets (Continued)

Business-type activities:	Balance 12/31/19	Increases	Decreases	Balance 12/31/20
Capital assets, not being depreciated:				
Land	\$ 276,084	\$ -	\$ -	\$ 276,084
Construction in progress	447,138	687,483	447,138	687,483
Total capital assets, not being depreciated	723,222	687,483	447,138	963,567
Capital assets, being depreciated:				
Buildings and improvements	7,717,169	7,763	-	7,724,932
Machinery and equipment	13,457,263	529,132	101,623	13,884,772
Infrastructure	64,922,969	2,400,812	497,871	66,825,910
Total capital assets, being depreciated	86,097,401	2,937,707	599,494	88,435,614
Accumulated depreciation:				
Buildings and improvements	4,639,512	185,522	50,751	4,774,283
Machinery and equipment	7,756,456	680,690	87,764	8,349,382
Infrastructure	25,296,005	1,776,801	697,882	26,374,924
Total accumulated depreciation	37,691,973	2,643,013	836,397	39,498,589
Total capital assets, being depreciated, net	48,405,428	294,694	(236,903)	48,937,025
Business-type activities capital assets, net	\$ 49,128,650	\$ 982,177	\$ 210,235	\$ 49,900,592

Depreciation was charged to business-type activities as follows:

Sewer utility	\$ 366,478
Water utility	579,875
Electric utility	1,649,270
Solid waste	47,390
Total depreciation expense, business-type activities	\$ 2,643,013

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 7: Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2020:

<i>Year Ended December 31, 2020</i>	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 22,255,000	\$ 7,745,000	\$ 3,795,000	\$ 26,205,000	\$ 2,830,000
Notes	918,099	-	591,190	326,909	96,618
Total general obligation debt	23,173,099	7,745,000	4,386,190	26,531,909	2,926,618
Bond anticipation notes	3,315,000	-	3,315,000	-	-
Debt premium	241,633	277,332	93,307	425,658	82,853
Net pension liability	1,445,011	-	1,445,011	-	-
Net OPEB liability - LRLIF	286,972	231,821	-	518,793	-
Total OPEB liability - Other	2,350,015	-	2,350,015	-	-
Compensated absences	868,095	71,167	-	939,262	-
Governmental activities Long-Term obligations	31,679,825	8,325,320	11,589,523	28,415,622	3,009,471
Business-type activities:					
General obligation debt					
Notes	30,721	-	8,192	22,529	8,192
Net pension liability	371,359	-	371,359	-	-
Compensated absences	422,357	30,641	-	452,998	-
Business-type activities Long-term obligations	\$ 824,437	\$ 30,641	\$ 379,551	\$ 475,527	\$ 8,192

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

General obligation debt currently outstanding is detailed as follows:

<i>Year Ended December 31, 2020</i>	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
General obligation notes	11/14/05	11/14/25	5.00%	\$ 417,132	\$ 151,831
General obligation notes	5/11/06	5/11/26	5.00%	158,476	64,081
General obligation notes	9/21/06	9/21/26	5.00%	75,383	32,392
General obligation notes	11/2/11	11/2/21	3.60%	19,000	1,900
General obligation notes	11/2/11	11/2/21	3.60%	26,820	2,682
General obligation notes	11/2/11	11/2/21	3.60%	164,213	16,421
General obligation notes	11/2/11	11/2/21	3.60%	75,000	7,500
General obligation notes	11/2/11	11/2/21	3.60%	162,000	16,200
General obligation bonds	7/5/12	10/1/23	0.70- 2.50%	2,815,000	2,165,000
General obligation notes - split 50/50 between Governmental- Type and Business-Type Activities	9/30/13	9/28/23	0.00%	163,847	45,058
General obligation bonds	10/1/13	10/1/33	2.625-4.625%	1,755,000	1,135,000
General obligation bonds	12/30/13	10/1/21	2.00-3.00%	1,620,000	285,000
General obligation bonds	12/30/13	10/1/25	2.00-3.00%	1,735,000	900,000
General obligation bonds	12/30/13	10/1/21	2.00-3.00%	1,480,000	295,000
General obligation bonds	9/9/14	10/1/25	2.375-2.50%	1,295,000	1,295,000
General obligation bonds	9/22/15	10/1/25	2.35-2.65%	1,100,000	1,100,000
General obligation bonds	9/22/15	10/1/25	1.00-2.65%	985,000	615,000
General obligation notes	1/31/16	1/31/26	5.00%	31,563	11,373
General obligation bonds	9/7/16	10/1/31	2.00%	7,325,000	6,370,000
General obligation bonds	11/14/17	10/1/37	3.00-3.15%	1,225,000	930,000
General obligation bonds	11/6/18	10/1/28	2.50-4.00%	1,480,000	1,025,000
General obligation notes	8/22/19	10/1/28	2.00%	2,345,000	2,345,000
General obligation bonds	3/31/20	4/1/28	1.54%	1,235,000	1,235,000
General obligation bonds	3/31/20	4/1/39	1.90%	2,180,000	2,180,000
General obligation bonds	9/22/20	10/1/22	0.92%	2,395,000	2,395,000
General obligation bonds	9/22/20	10/1/22	0.92%	1,935,000	1,935,000
Total					\$ 26,554,438

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

Annual principal and interest maturities of the outstanding general obligation debt

Year Ended December 31,	Governmental-Type Long-Term Debt		Business-Type Long-Term Debt		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 2,926,618	\$ 589,519	\$ 8,192	\$ -	\$ 2,934,810	\$ 589,519
2022	3,629,100	511,130	8,192	-	3,637,292	511,130
2023	2,809,348	446,130	6,145	-	2,815,493	446,130
2024	2,845,598	400,625	-	-	2,845,598	400,625
2025	2,353,143	326,874	-	-	2,353,143	326,874
2026 - 2030	8,708,102	883,945	-	-	8,708,102	883,945
2031 - 2035	2,280,000	235,913	-	-	2,280,000	235,913
2036 - 2039	980,000	49,143	-	-	980,000	49,143
Total	\$ 26,531,909	\$ 3,443,279	\$ 22,529	\$ -	\$ 26,554,438	\$ 3,443,279

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Long-Term Debt Margin: Pursuant to Section 67.03 of the Wisconsin Statutes, the total indebtedness of the City for general purposes may not exceed 5% of the value of the taxable property.

	Amount
Equalized value at December 31, 2020	\$ 990,820,400
Legal debt margin percentage	5 %
General obligation debt limitation, per section 67.03 of the Wisconsin Statutes	49,541,020
Outstanding general obligation debt subject to debt limit	\$ 26,554,438
	26,554,438
Legal debt margin	\$ 22,986,582

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 8: Interfund Transfers

The following is a schedule of interfund transfers in the fund financial statements:

Fund Transferred To	Fund Transferred From	Amount	Purpose
General Fund	Water Utility	\$ 416,683	Tax equivalent payment
General Fund	Electric Utility	594,923	Tax equivalent payment
General Fund	Solid Waste	2,400	Rent
General Fund	Capital Improvements	220,214	Reimbursements of costs
General Fund	Revolving Loan	10,258	Reimbursements of costs
General Fund	Cable TV	5,625	Rent
Capital Improvements	General Fund	554,205	Pay for capital expenditures
TID #2	TID #1	808,637	Transfer TID amounts
		<u>\$ 2,612,945</u>	

Note 9: Net Position

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

Governmental Activities:

Net investment in capital assets:

Land	\$ 5,593,504
Construction in progress	632,310
Other capital assets, net of accumulated depreciation	47,918,439
Less: Related long-term debt outstanding (net of unspent proceeds of debt)	<u>(26,957,567)</u>

Total net investment in capital assets 27,186,686

Restricted for:

Capital Improvements	<u>4,906,763</u>
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Total restricted 4,906,763

Unrestricted 8,841,393

Total net position \$ 40,934,842

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 9: Net Position (Continued)

Business-Type Activities:

Net investment in capital assets:

Land	\$ 276,084
Construction in progress	687,483
Other capital assets, net of accumulated depreciation	48,937,025
Less: Related long-term debt outstanding (net of unspent proceeds of debt)	<u>(22,529)</u>

Total net investment in capital assets 49,878,063

Restricted for:

Plant replacement 539,065

Unrestricted 10,772,960

Total net position \$ 61,190,088

A net position deficit of \$65,071 exists in the compost site fund resulting from start-up operations prior to receipt of revenues. It is expected that compost fees beginning in the next calendar year will provide positive net position.

Note 10: Governmental Fund Balances

Governmental fund balances on the fund financial statements at December 31, 2020, include the following:

Nonspendable

General Fund

Inventories and prepaid items \$ 95,353

Restricted

Capital Projects Funds

Tax Incremental District No. 1	401,517
Tax Incremental District No. 2	3,155,425
Tax Incremental District No. 3	851,825
Tax Incremental District No. 4	<u>497,996</u>

Total Restricted Fund Balance \$ 4,906,763

Assigned

Capital Projects Funds

Capital Improvements \$ 2,691,984

Special Revenue Funds

Cable TV 258,485

Total Assigned \$ 2,950,469

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 10: Governmental Fund Balances (Continued)

Minimum General Fund Balance Policy

The City has also adopted a minimum fund balance policy of 25% of subsequent year budgeted expenditures for the general fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Calendar 2021 operating budget	\$ 11,614,630
Minimum Fund Balance %	(x) 25%
Total	\$ 2,903,658

Note 11: Tax Incremental District Funds

As provided by Statute Number 66.1105, the City of Sturgeon Bay has established tax incremental districts for the development of areas in the City. All expenditures by the City for these areas are expected to be repaid through the increase in taxes resulting from the development of these areas. The increase in taxes will be deposited in the Tax Incremental District Funds as provided by Statute 66.1105(6)(b) and will be used to repay loans and make other expenditures of the districts.

Note 12: Employee Retirement Plans - Wisconsin Retirement System

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

ETF issues a standalone Comprehensive Annual Financial Report, which can be found online at <http://etf.wi.gov/publications/cafr.htm>.

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

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

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3)%	22.0 %
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	-	(10.0)

Contributions: Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee-required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2006, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

During the reporting period, the WRS recognized \$589,371 in contributions from the employer.

Contribution rates as of December 31, 2020, are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75 %	6.75 %
Protective with social security	6.75	11.65
Protective without social security	6.75	16.25

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2020, the City reported an asset of \$1,683,735 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.05221765%, which was an increase of 0.00116282% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$637,148.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,196,114	\$ (1,599,441)
Change in assumptions	131,207	-
Net differences between projected and actual earnings on pension plan investments	-	(3,442,153)
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,050	(6,022)
Employer contributions subsequent to the measurement date	589,371	-
Total	\$ 3,925,742	\$ (5,047,616)

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

The amount of \$589,371 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2021	\$ (509,988)
2022	(378,913)
2023	61,440
2024	(883,784)

Actuarial Assumptions: The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

**No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2019, is based on a roll-forward of the liability calculated from the December 31, 2018, actuarial valuation.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

Asset Allocation Targets and Expected Returns
As of December 31, 2019

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global equities	49.0 %	8.0 %	5.1 %
Fixed income	24.5 %	4.9 %	2.1 %
Inflation sensitive assets	15.5 %	4.0 %	1.2 %
Real estate	9.0 %	6.3 %	3.5 %
Private equity/debt	8.0 %	10.6 %	7.6 %
Multi-asset	4.0 %	6.9 %	4.0 %
Total core fund	110.0 %	7.5 %	4.6 %
<u>Variable Fund Asset Class</u>			
U.S. equities	70.0 %	7.5 %	4.6 %
International equities	30.0 %	8.2 %	5.3 %
Total variable fund	100.0 %	7.8 %	4.9 %

New England Consultants Long-Term US CPI (Inflation) Forecast: 2.5%

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

Single Discount Rate: A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
WRS employer's proportionate share of the net pension liability (asset)	\$ 4,335,919	\$ (1,683,735)	\$ (6,184,119)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payables to the Pension Plan: At December 31, 2020, the City reported a payable of \$74,240 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

Note 13: Other Postemployment Benefits - LRLIF

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

OPEB Plan Fiduciary Net Position - ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 13: Other Postemployment Benefits - LRLIF (Continued)

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

Contribution rates as of December 31, 2020 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2019			
Attained Age	Basic		Supplemental
Under 30	\$	0.05	\$ 0.05
30-34		0.06	0.06
35-39		0.07	0.07
40-44		0.08	0.08
45-49		0.12	0.12
50-54		0.22	0.22
55-59		0.39	0.39
60-64		0.49	0.49
65-69		0.57	0.57

During the reporting period, the LRLIF recognized \$2,202 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs - At December 31, 2020, the City reported a liability of \$518,793 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was .12183400%, which was an increase of .01061900% from its proportion measured as of December 31, 2018.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 13: Other Postemployment Benefits - LRLIF (Continued)

For the year ended December 31, 2020, the City recognized OPEB expense of \$62,561.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (23,241)
Change in assumptions	191,385	(57,061)
Net differences between projected and actual earnings on plan investments	9,786	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	42,493	-
Total	\$ 243,664	\$ (80,302)

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

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2021	\$ 28,288
2022	28,288
2023	27,233
2024	26,146
2025	22,179
Thereafter	31,228

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 13: Other Postemployment Benefits - LRLIF (Continued)

Actuarial assumptions - The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2019
Measurement date of net OPEB liability (asset)	December 31, 2019
Actuarial cost method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-term expected rate of return	4.25%
Discount rate	2.87%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

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

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

Local OPEB Life Insurance

Asset Allocation Targets and Expected Returns

As of December 31, 2019

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

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 13: Other Postemployment Benefits - LRLIF (Continued)

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Single Discount rate - A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate - The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 2.87 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	1% Decrease	Current Rate	1% Increase
LRLIF Employer's proportionate share of the net OPEB (asset) liability	\$ 716,366	\$ 518,793	\$ 368,478

OPEB plan fiduciary net position - Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 14: Other Postemployment Benefits

In prior years, the City administered a single-employer defined benefit health care plan. The plan provided for medical insurance benefits to eligible retirees and their spouses through the City's group medical insurance plan, which covers both active and retired members. Benefit provisions were established through collective bargaining agreements and individual employment contracts. The eligibility requirements were based on the retiree's position, years of service, and age at retirement. If eligible, the retiree may receive medical insurance benefits until they are eligible for Medicare. The benefit expired on December 31, 2019 and the City moved to the State of Wisconsin Health Insurance Plan and there is no further obligation to the City so the liability was removed from the current year financial statements.

Note 15: Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For all risks of loss other than for employee health and dental care, the City's policy is to purchase commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 16: Commitments and Contingencies

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

The City began work on the West Waterfront Promenade project. The total contract price is \$1,445,680 and \$232,310 has been completed to date leaving a commitment of approximately \$1.2 million.

Note 17: WPPI Energy

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

Members of WPPI are located throughout the State of Wisconsin, Michigan and Iowa. On December 1, 1989, each of WPPI's members, including the Utilities commenced purchasing electric service from WPPI under a Long-term Power Supply Contract for Participating Members (the Long-term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial thirty-five (35) year term. In 2015, most WPPI members ratified an extension to their contracts. The current contract expires on December 31, 2055.

City of Sturgeon Bay, Wisconsin

Notes to Financial Statements

Note 17: WPPI Energy (Continued)

Under the Long-term Contract, the Utilities and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirements which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its Board of Directors, which consists of representatives from each member municipality. The Utilities have agreed to charge rates to the retail ratepayers sufficient to meet its obligations to WPPI. The Long-term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the Utilities payable from any operating and maintenance fund established by the Utilities for that system.

Note 18: Prior Year Restatement

The City determined that it omitted some infrastructure costs from the prior year financial statements. The amounts and related accumulated depreciation were reflected through a restatement of beginning net position in governmental activities as noted below:

Beginning governmental activities net position as originally stated - 1/1/2019	\$ 37,251,463
Cost of infrastructure amounts omitted	3,271,395
Accumulated depreciation of infrastructure amounts omitted	(1,108,366)
<hr/>	
Beginning governmental activities net position as restated - 1/1/2019	\$ 39,414,492

Required Supplementary Information

City of Sturgeon Bay, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	Budgeted Amounts		Variance with Final Budget	
	Original and Final	Actual Amounts	Positive (Negative)	2019 Actual
Revenues:				
Taxes				
General property	\$ 6,342,368	\$ 6,343,055	\$ 687	\$ 6,380,919
Mobile home	88,500	90,289	1,789	88,151
Payment in lieu of taxes	1,520	1,564	44	1,608
Room tax	190,000	150,984	(39,016)	200,494
Retained sales tax	120	120	-	123
Interest and taxes	600	486	(114)	543
Total taxes	6,623,108	6,586,498	(36,610)	6,671,838
Intergovernmental				
State				
State shared taxes	949,030	951,073	2,043	954,815
Transportation	479,255	551,142	71,887	479,254
DNR - marine patrol	5,380	-	(5,380)	-
Other state shared taxes	66,195	66,189	(6)	61,991
DNR - in lieu of taxes	200	199	(1)	199
Municipal services	5,405	4,939	(466)	5,401
Law enforcement	3,360	3,872	512	39,633
Fire insurance dues	37,000	39,372	2,372	43,352
Other state payments	-	104,710	104,710	1,184
Other local grants	-	-	-	1,850
Total intergovernmental	1,545,825	1,721,496	175,671	1,587,679
Licenses and permits				
Licenses				
Liquor and malt beverage	29,000	29,362	362	30,763
Operators	2,900	2,355	(545)	3,289
Animal licenses	276	2,358	2,082	2,448
Other licenses	3,900	10,022	6,122	10,715
Permits				
Building	47,500	76,456	28,956	75,875
Plumbing and electrical	50,000	44,953	(5,047)	71,880
Miscellaneous	24,915	10,279	(14,636)	14,984
Signs	5,400	3,430	(1,970)	4,950
Total licenses and permits	163,891	179,215	15,324	214,904

See Accompanying Notes to Required Supplementary Information

City of Sturgeon Bay, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)	2019 Actual
Fines and forfeits				
Court fines and penalties	\$ 34,000	\$ 32,873	\$ (1,127)	\$ 36,234
Public charges for services				
Special assessment letter fee	2,500	6,800	4,300	7,010
Payment in lieu of taxes	14,450	14,448	(2)	14,448
Street department	800	17,631	16,831	4,391
Recreation	106,220	149,944	43,724	151,646
Mooring fees	10,000	10,504	504	10,216
Weights and measures	6,000	6,006	6	5,981
Aquatic plant services	10,000	12,290	2,290	8,649
Weed control	1,000	600	(400)	600
Total public charges for services	150,970	218,223	67,253	202,941
Intergovernmental charges for services				
Fire and EMS services	534,100	607,095	72,995	514,392
Miscellaneous				
Rent from commercial property	46,325	46,976	651	44,240
Interest on investments	210,000	73,870	(136,130)	185,506
Interest on special assessments	-	1,257	1,257	2,278
Donations	10,000	58	(9,942)	9,800
Other	72,705	88,691	15,986	99,091
Total miscellaneous	339,030	210,852	(128,178)	340,915
Total revenues	9,390,924	9,556,252	165,328	9,568,903

See Accompanying Notes to Required Supplementary Information

City of Sturgeon Bay, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	Budgeted Amounts		Variance with Final Budget	
	Original and Final	Actual Amounts	Positive (Negative)	2019 Actual
Expenditures:				
General government				
City council	\$ 62,160	\$ 59,471	\$ (2,689)	\$ 62,539
Mayor	12,885	11,287	(1,598)	11,107
Board of review	1,520	255	(1,265)	-
Clerk-treasurer	473,290	438,707	(34,583)	405,804
Municipal services administration	67,000	36,559	(30,441)	43,690
Elections	27,505	40,235	12,730	9,153
Assessment of property	107,480	212,985	105,505	100,931
Legal/Special counsel	86,000	70,976	(15,024)	88,723
City hall	153,670	142,871	(10,799)	138,241
Property and liability insurance	261,705	244,070	(17,635)	215,126
Computer	111,750	110,966	(784)	97,543
Contingency	192,300	-	(192,300)	-
Employee benefits	43,450	37,112	(6,338)	38,720
Miscellaneous	127,345	82,274	(45,071)	105,363
Total general government	1,728,060	1,487,768	(240,292)	1,316,940
Public safety				
Police department	2,886,460	2,690,746	(195,714)	2,594,718
Fire department	1,994,000	2,046,096	52,096	1,745,024
Building/zoning	101,565	111,152	9,587	141,856
Total public safety	4,982,025	4,847,994	(134,031)	4,481,598
Public works				
Transportation				
Public works administration	156,375	161,000	4,625	138,008
Street machinery	199,640	164,786	(34,854)	167,016
Garage	58,935	43,404	(15,531)	45,796
Storm sewer	33,600	37,799	4,199	35,098
Curb and gutter	19,950	13,946	(6,004)	24,720
Roadway of streets	191,515	236,735	45,220	173,730
Street sweeping	36,350	46,885	10,535	39,566
Snow and ice removal	223,500	135,273	(88,227)	241,237
Street lighting	188,825	141,399	(47,426)	142,812
Streets signs and marketing	64,850	29,154	(35,696)	45,798
Highways	317,980	327,040	9,060	296,089
Sanitation				
Garbage and refuse collection	53,820	52,145	(1,675)	35,742
Solid waste site	52,110	70	(52,040)	33,782
Weed control	4,005	1,424	(2,581)	210
Total public works	1,601,455	1,391,060	(210,395)	1,419,604

See Accompanying Notes to Required Supplementary Information

City of Sturgeon Bay, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

For the Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	Budgeted Amounts		Variance with Final Budget	
	Original and Final	Actual Amounts	Positive (Negative)	2019 Actual
Culture and recreation				
Library	\$ 83,375	\$ 78,076	\$ (5,299)	\$ 75,054
Celebration and entertainment	55,780	36,006	(19,774)	37,331
Recreation	108,375	64,300	(44,075)	92,461
Municipal dock	47,270	35,640	(11,630)	35,322
Parks and playground	509,615	475,972	(33,643)	398,213
Ball fields	28,715	9,787	(18,928)	15,094
Ice rinks	12,130	1,138	(10,992)	5,249
Water weed cutting	87,240	46,212	(41,028)	65,044
Total culture and recreation	932,500	747,131	(185,369)	723,768
Conservation and development				
Economic development	391,015	367,995	(23,020)	355,631
Waterfront parks and walkways	71,380	70,928	(452)	65,934
Engineering	242,170	226,699	(15,471)	219,248
Total conservation and development	704,565	665,622	(38,943)	640,813
Debt service				
Principal retirement	1,245,150	1,249,589	4,439	1,019,631
Interest and fiscal charges	208,305	226,237	17,932	211,549
Total debt service	1,453,455	1,475,826	22,371	1,231,180
Total expenditures	11,402,060	10,615,401	(786,659)	9,813,903
Excess (deficiency) of revenues over expenditures	(2,011,136)	(1,059,149)	951,987	(245,000)
Other Financing Sources (Uses):				
Transfers in	957,945	1,250,103	292,158	897,096
Transfers out	-	(554,205)	(554,205)	(11,380)
Total other financing sources (uses)	957,945	695,898	(262,047)	885,716
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(1,053,191)	(363,251)	689,940	640,716
Fund balance - beginning	6,807,253	6,807,253	-	6,166,537
Fund balance - ending	\$ 5,754,062	\$ 6,444,002	\$ 689,940	\$ 6,807,253

See Accompanying Notes to Required Supplementary Information

City of Sturgeon Bay, Wisconsin

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS) Last 10 Calendar Years*

Measurement Date December 31	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.05221765%	\$ (1,683,735)	\$ 6,184,034	(27.23)%	102.96%
2018	0.05105483%	1,816,370	5,851,569	31.04%	96.45%
2017	0.05021072%	(1,490,815)	5,675,256	(26.27)%	102.74%
2016	0.04935327%	406,778	5,596,736	7.27%	99.12%
2015	0.04892422%	795,009	5,537,617	14.36%	98.20%
2014	0.04903842%	(1,204,517)	5,350,151	(22.51)%	102.93%

Schedule of the Employer Contributions Wisconsin Retirement System (WRS) Last 10 Fiscal Years*

Year Ended December 31,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2020	\$ 589,371	\$ 589,371	\$ -	6,045,025	9.75%
2019	550,067	550,067	-	6,184,034	8.89%
2018	514,968	514,968	-	5,851,569	8.80%
2017	519,913	519,913	-	5,675,256	9.16%
2016	473,957	473,957	-	5,596,736	8.47%
2015	477,298	477,298	-	5,537,617	8.62%

Notes to the Schedules:

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

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

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

City of Sturgeon Bay, Wisconsin

Schedules of Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - LRLIF

Last 10 Years*

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

Measurement Date December 31	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2019	0.12183400%	\$ 518,793	\$ 5,789,000	8.96%	37.58%
2018	0.11121500%	286,972	5,537,617	5.18%	48.69%
2017	0.10668500%	320,970	4,486,409	7.15%	44.81%

Schedule of the Employer Contributions Last 10 Fiscal Years*

Year Ended December 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2020	\$ 2,202	\$ 2,202	- \$	6,045,021	0.04%
2019	2,224	2,224	-	5,789,000	0.04%
2018	2,142	2,142	-	5,537,617	0.04%

Notes to the Schedules:

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

Changes of assumptions: Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the notes to the financial statements for additional details.

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

City of Sturgeon Bay, Wisconsin

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Year Ended December 31, 2020 (And Prior 2 Fiscal Years)

	2018	2019	2020
Measurement date	12/31/2018	12/31/2019	12/31/2020
Total OPEB Liability			
Service cost	\$ 98,373	\$ 76,399	\$ -
Interest	63,855	60,183	-
Change in benefit terms	-	-	(2,350,015)
Effect of economic/demographic gains or losses	(272,728)	367,682	-
Effect of assumptions changes or inputs	(41,807)	450,683	-
Net change in total OPEB liability	(152,307)	954,947	(2,350,015)
Total OPEB liability - Beginning	1,547,375	1,395,068	2,350,015
Total OPEB liability - Ending	\$ 1,395,068	2,350,015	-
Covered-employee payroll	\$ 2,061,618	2,164,677	N/A
Total OPEB liability as a percentage of covered-employee payroll	67.67 %	108.56 %	N/A

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Notes to Schedule:

Benefit changes: As of January 1, 2020, employees were no longer eligible for this benefit so the liability was removed from the City's financial statements.

Changes of assumptions: There were no changes in assumptions.

See Independent Auditor's Report.

City of Sturgeon Bay, Wisconsin

Notes to Required Supplementary Information

Year Ended December 31, 2020

Note 1: Budgetary Information

The City's budget is adopted in accordance with state law. Budget amounts in the budgetary comparison schedule include appropriations authorized in the original budget resolution and subsequent revisions authorized by the City. Budgets are formally adopted for all funds. Reported budget amounts represent the originally adopted budget as amended. Amendments to the originally adopted budget require a two-thirds vote by the City Council.

Unexpended budgeted amounts lapse at the end of the year. Spending control for the General Fund is established by the amount of expenditures budgeted for major departments within the funds, but management control is exercised at budgetary line item levels.

Supplementary Financial Information

City of Sturgeon Bay, Wisconsin

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Revolving Loan	Cable TV	TID No. 1	TID No. 3	TID No. 4	Total Nonmajor Governmental Funds
Assets:						
Cash	\$ -	\$258,485	\$ -	\$ -	\$ -	\$ 258,485
Investments	10,252	-	401,517	852,492	631,388	1,895,649
Receivables						
Taxes	-	-	888,298	60,742	149,224	1,098,264
Loans	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 10,252</u>	<u>\$258,485</u>	<u>\$1,289,815</u>	<u>\$913,234</u>	<u>\$ 780,612</u>	<u>\$ 3,252,398</u>
Liabilities:						
Due to other funds	\$ 10,252	\$ -	\$ -	\$ 667	\$ 133,392	\$ 144,311
Deferred inflows of resources:						
Property taxes	-	-	888,298	60,742	149,224	1,098,264
Fund balances:						
Restricted	-	-	401,517	851,825	497,996	1,751,338
Assigned	-	258,485	-	-	-	258,485
Total fund balances	<u>-</u>	<u>258,485</u>	<u>401,517</u>	<u>851,825</u>	<u>497,996</u>	<u>2,009,823</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,252</u>	<u>\$258,485</u>	<u>\$1,289,815</u>	<u>\$913,234</u>	<u>\$ 780,612</u>	<u>\$ 3,252,398</u>

City of Sturgeon Bay, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2020

	Revolving Loan	Cable TV	TID No. 1	TID No. 3	TID No. 4	Total Nonmajor Governmental Funds
Revenues:						
Taxes	\$ -	\$ -	\$ 808,637	\$ 47,818	\$ 129,127	\$ 985,582
Intergovernmental	-	20,835	46,320	-	30,081	97,236
Licenses and permits	-	141,927	-	-	-	141,927
Miscellaneous	6,927	-	3,505	4,577	5,142	20,151
Total revenues	6,927	162,762	858,462	52,395	164,350	1,244,896
Expenditures:						
Current:						
General government	492,286	-	-	-	-	492,286
Conservation and development	-	69,355	-	817	499,717	569,889
Debt service:						
Principal	-	-	-	60,000	-	60,000
Interest	-	-	-	48,288	147,176	195,464
Capital outlay	-	5,951	-	6,887	220,695	233,533
Total expenditures	492,286	75,306	-	115,992	867,588	1,551,172
Excess of revenues over (under) expenditures	(485,359)	87,456	858,462	(63,597)	(703,238)	(306,276)
Other Financing Uses						
Sale of capital assets	-	-	-	-	53,600	53,600
Long-term debt issued	-	-	-	-	3,415,000	3,415,000
Premium on debt issued	-	-	-	-	54,078	54,078
Refinancing debt payment	-	-	-	-	(3,315,000)	(3,315,000)
Transfers out	(10,258)	(5,625)	(808,637)	-	-	(824,520)
Total other financing uses	(10,258)	(5,625)	(808,637)	-	207,678	(616,842)
Net Change in Fund Balances	(495,617)	81,831	49,825	(63,597)	(495,560)	(923,118)
Fund Balances - Beginning	495,617	176,654	351,692	915,422	993,556	2,932,941
Fund Balances - Ending	\$ -	\$258,485	\$ 401,517	\$851,825	\$ 497,996	\$ 2,009,823

City of Sturgeon Bay, Wisconsin

Combining Statement of Net Position

Nonmajor Proprietary Funds

December 31, 2020

	Solid Waste	Compost Site	Total
Assets:			
Current assets:			
Cash	\$ 184,487	\$ -	\$ 184,487
Receivables			
Other	1,368	-	1,368
Due from other funds	62,375	-	62,375
Prepaid items	2,888	261	3,149
Total current assets	251,118	261	251,379
Noncurrent assets:			
Net pension asset	23,256	-	23,256
Capital assets, depreciable	83,560	-	83,560
Total capital assets, net of accumulated depreciation	83,560	-	83,560
Total noncurrent assets	106,816	-	106,816
Total assets	357,934	261	358,195
Deferred outflows of resources:			
Deferred outflows related to pensions	54,223	-	54,223
Total assets and deferred outflows of resources	\$ 412,157	\$ 261	\$ 412,418
Liabilities:			
Current liabilities:			
Accounts payable	\$ -	\$ 500	\$ 500
Other accrued liabilities	7,169	2,457	9,626
Due to other funds	-	62,375	62,375
Total current liabilities	7,169	65,332	72,501
Deferred inflows of resources:			
Related to pensions	69,719	-	69,719
Total liabilities and deferred inflows of resources	76,888	65,332	142,220
Net position:			
Net investment in capital assets	83,560	-	83,560
Unrestricted	251,709	(65,071)	186,638
Total net position	335,269	(65,071)	270,198
Total liabilities, deferred inflows of resources and net position	\$ 412,157	\$ 261	\$ 412,418

City of Sturgeon Bay, Wisconsin

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Proprietary Funds

For the Year Ended December 31, 2020

	Solid Waste	Compost Site	Total
Operating revenues:			
Charges for services	\$ 494,928	\$ 10,899	\$ 505,827
Operating expenses:			
Operation and maintenance	463,846	75,970	539,816
Depreciation	47,390	-	47,390
Total operating expenses	511,236	75,970	587,206
Operating income	(16,308)	(65,071)	(81,379)
Nonoperating revenues (expenses):			
Other	55,127	-	55,127
Total nonoperating revenues (expenses)	55,127	-	55,127
Net income before transfers	38,819	(65,071)	(26,252)
Transfers out	(2,400)	-	(2,400)
Change in net position	36,419	(65,071)	(28,652)
Net position - beginning	298,850	-	298,850
Net position - ending	\$ 335,269	\$ (65,071)	\$ 270,198

City of Sturgeon Bay
421 Michigan Street
Sturgeon Bay, WI 54235
jvanlieshout@sturgeonbaywi.org



Joshua J. Van Lieshout
City Administrator

920-746-6905 (Voice)
920-746-2905 (Fax)

Memorandum

To: Finance Committee

From: Josh Van Lieshout, Administrator

Re: Agenda Items

Date: May 6, 2021

Item: Consideration of Sturgeon Bay Scenic Boat Tours

Discussion: Throughout the City's recent history a number of tour boats have operated from the City's waterfront, including the Lollipop, Harbor Lady, and most recently the Chicago Fire Boat. These have been complimented by any number of charters, operating from several private marinas in and around the bay of Sturgeon Bay, as well as boat rental opportunities.

As we have learned in the absence of the Fire Boat, some people do not wish to invest in the time or expense of a sailing charter or rent a pontoon boat. Furthermore, navigating the bay of Sturgeon Bay and Green Bay can be an intimidating thing for people unaccustomed to large bodies of water. As a waterfront community with substantial market share of the Door County tourism industry, visitors, residents and guests to the community expect to be able experience the waters of Sturgeon Bay.

To fill the gap left by the departure of the Chicago Fire Boat, the has sought a new tour boat service provider. To accomplish this the City published a request for proposals or RFP on March 22, 2021, responses were due April 22, 2021, providing a site description, services available, and so forth.

A number of telephone inquiries were made to the City, however only one written response to the RFP was received from Cody Bolton. The RFP, Mr. Bolton's response and summary of the response are attached to this memo.

In short, Mr. Bolton is proposing to operate a motor vessel, capable of transporting up to 75 passengers on four trips per day between Lake Michigan and the bay of Green Bay. Mr. Bolton is proposing a lease fee \$6,000 per year.

The proposal adequately responds to the points raised in the RFP. Certainly Mr. Bolton has demonstrated success operating other similar ventures in Door County.

Recommendation: To Common Council to enter into a lease agreement for dock space for the purpose of tour boat operations.

SUMMARY of Response to RFP for Tour Boat

Cody Bolton, President Sturgeon Bay Scenic Boat Tour www.DoorCountyBoats.com codybolton@gmail.com	Fish Creek Scenic Boat Tours, LLC www.DoorCountyBoats.com info@doorcountyboats.com	2301 Flintridge Road Sister Bay, WI 54234 414-852-9582
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Requirement	Included in Response	Missing from Response	Notes
1. Description of qualifications / experience in providing tour boat service	<ul style="list-style-type: none"> Cody Bolton: Master Merchant Mariner as of 2007; licenses for 100-ton inland & 50-ton near coastal with commercial towing endorsement; holds Transportation Worker Identification Credential (TWIC), Marine Radio Operator's Permit, & First Aid and CPR certificate. Operates Quo Vadis (53') since 2013 and Norra Dorr (63') since 2017. Owens Quo Vadis and Fish Creek Scenic Boat Tours Manages Sister Bay Scenic Boat Tours. Current Businesses well described in proposal with no. of passenger in 2020 reported monthly. Currently employs 7 part-time captains, 8 part-time crew, 5 part-time musicians, 4 part-time employees. Employees have "special licensing" (provided on request) and take part in mandatory substance program. 	<ul style="list-style-type: none"> Experience level of employees No mention of bankruptcy notices/filings (past 5 yrs.) or legal actions (past 3 yrs.). 	
2. Business plan to include routes, description of services	<ul style="list-style-type: none"> Office opens at 9am and closes after departure of sunset cruise 7 days/wk. from mid-May (2022) through mid-October, based on weather. Trip times: 11am, 1pm, 3pm, 7pm. Routes: To encompass Sturgeon Bay canal and its offerings, also outreaching areas on Bay of Green Bay and Lake Michigan. Plan 3-4 trips/day plus specialty private charters and fireworks trips. Plan to offer nightly live music, brunch cruises, accommodate Maritime Museum Lighthouse events and bus tour business, wedding and receptions, specialty private charters, 4th of July fireworks cruise, onboard beverage service, catered dinner cruises. Location Maintenance: Staff will be responsible for the basic maintenance and cleaning of the lease property. Trash/recycling collection and disposal: Will be solely responsible for the removal from the property and 	<ul style="list-style-type: none"> Plan for environmentally friendly methods of operations, cleaning, & activities. Proposal states "SBSBT will operate in an effective and environmentally conscious manner". 	

	<p>disposal of trash and recyclables, and maintenance chemicals (engine oil, filters, etc.).</p> <ul style="list-style-type: none"> • Fee Schedule: 1.5 hr. tours with narration or live music <ul style="list-style-type: none"> ○ \$39/adults ○ \$36/seniors ○ \$5/kids aged 12 and under ○ Offer coupons and group rates • Revenue/expenditure reporting: <ul style="list-style-type: none"> ○ "State of the Art" booking software ○ Uses outside CPA for bookkeeping • Will carry \$1,000,000 insurance policy with City of Sturgeon Bay named as additionally insured. 		
3. Photos / Descriptive Literature	<ul style="list-style-type: none"> • 75 passenger commercial vessel, See Appendix A for photos of similar boats. • Can load passengers from either side • "...clean, safe and 100% certified and approved by the USCG. • Safety: pre-cruise safety instruction, USCG inspected vessel (documentation on request), proper licensing and substance program for employees, towing and mechanical assistance available for breakdowns and accidents by licensed professional seamen. 	<ul style="list-style-type: none"> • Size and dimensions • Drawings/schematics depicting design/construction with height from waterline (detailed) and sanitation. 	
4. Tenant Improvements	<ul style="list-style-type: none"> • Request permission to construct small ticket office at the dock. See Appendix D. • Wish to offer handicap access, may need to "retrofit to accomplish this". 		
5. Compensation	\$6,000/yr. with deduction of \$1,800 (1.5mo.) for late start in 2021 = \$4,200 for 2021		
6. Re: COVID-19	<ul style="list-style-type: none"> • Outdoor, open air activity • Full-time boat cleaner on staff • Will follow CDC guidelines • Space on board to socially distance • Masks on request 		
7. Relevant Projects	<ul style="list-style-type: none"> • 10 years operating Fish Creek Scenic Boat Tours • 4 years operate Sister Bay Scenic Boat Tours 		
8. References	3 Business/ Financial, 3 Client provided		

Sturgeon Bay Scenic Boat Tours

(In response to Sturgeon Bay RFP)

Submitted April 12, 2021

Cody Bolton, President

Sturgeon Bay Scenic Boat Tours

www.DoorCountyBoats.com

Fish Creek Scenic Boat Tours LLC

www.DoorCountyBoats.com

info@doorcountyboats.com

2301 Flintridge Rd

Sister Bay, WI 54234

414-852-9582

codybolton@gmail.com

Sturgeon Bay Scenic Boat Tours

Proposal to the City of Sturgeon Bay regarding a new boat tour business in Sturgeon Bay involving one powered tour boat. The following comprehensive business plan has been provided as part of the proposal and shall encompass all proposal information. Facts relating directly to selection criteria have been marked throughout the proposal with an "*" along with the corresponding selection criteria number as follows:

- 1) Qualifications & Experience
- 2) Business Operations
- 3) Photos & Descriptive Literature
- 4) Tenant Improvements
- 5) Proposed Compensation
- 6) Covid-19
- 7) Examples of relevant operations
- 8) References

Any information requiring further explanation can be discussed upon request to Cody Bolton. Any ideas or solutions presented in the following proposal are negotiable between Cody Bolton and the City of Sturgeon Bay.

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Executive Summary

Introduction

The following proposal encompasses slip space within the City of Sturgeon Bay being offered and considered by the City. Let me start out by saying how grateful I am for the opportunity to operate a boat tour business within the City of Sturgeon Bay.

*2 Sturgeon Bay Scenic Boat Tours (division of Fish Creek Scenic Boat Tours LLC) is a private company formed to offer captained excursions for guests and residents of Door County. Sturgeon Bay Scenic Boat Tours brings a 75 passenger commercial vessel in, in excellent condition. **See appendix A for similar style vessels** This boat can load passengers from either side. It would generally take approximately 10 minutes to load or 10 minutes to unload a full boat. Total available seats equals 75 times 3-4 trips per day is a potential for 300 people + a fireworks trip of approximately an additional 75 people. This business will model itself after Fish Creek Scenic Boat Tours and Sister Bay Scenic Boat Tours, where we offer daily 1 hour & 45 minute excursions departing and returning out of Fish Creek and Sister Bay on the waters of Green Bay. Employees working onboard the tour boat have special licensing and take part in a mandatory substance program. Any licensing or paperwork can be provided upon request from the ship's log.

The Company

Sturgeon Bay Scenic Boat Tours (SBSBT) is a division of Fish Creek Scenic Boat Tours, LLC created and legally organized as a Wisconsin Limited Liability Company in 2019. This is our 10th year operating in Fish Creek. Cody Bolton is the principal investor and operator and is responsible for all watercraft acquisitions, maritime operations and company decisions. Sturgeon Bay Scenic Boat Tours would operate from the dock directly to the West of the Door County Maritime Museum. The company would request permission to construct a small ticket office that would serve as the main office for customer transactions with SBSBT. This ticket office would resemble the one's located at the Fish Creek Town west dock and the Sister Bay Marina. **See appendix D**

Services

The boat tour business includes 3-4 daily trips departing and returning to the designated dock, plus specialty private charters. A narration is accompanied on the daytime trips discussing the history and scenery of what a passenger will see while on board. The evening cruise is a live music accompaniment to the sunset. We will open our office at

9am and close after the sunset boat departs every day of the week. We intend to open in mid May (post 2021 season) depending on weather and close mid to late October based on weather. We take reservations year-round online. Otherwise, you may call or email, which will be answered during office hours. Sturgeon Bay Scenic Boat Tours offers families, groups and couples a relaxing atmosphere to sit back, relax, and let someone else do the driving. This is a comprehensive, full-service business with goals to meet and exceed each client's expectations of safe and relaxing entertainment from the waters of Door County.

The Market

Sturgeon Bay is a thriving tourism community in Door County offering many attractions to tourists as well as residents. One of the main highlights of Door County has been the geographical fact that it is surrounded by water. The views and experience from the water have contributed to the ultimate growth and success of Door County as a tourism destination. The high cost of boat ownership has also forced many to find alternative methods to enjoy the beautiful waters of Door County. The simplest alternative method of boating without the hardships of ownership is rentals and tours.

There are currently three ports in Door County offering large boat tours. Gills Rock, Sister Bay and Fish Creek. Gills Rock offers a similar sized large boat; however, they strictly operate as a passenger ferry from the mainland of Door County to Washington Island. Fish Creek offers the Quo Vadis, a mid-sized 69 passenger boat with historical significance to Fish Creek. It fits nicely within a marina with limited space. Sister Bay currently offers the largest passenger tour boat in the county, Norra Dörr, in terms of passenger capacity. It is my belief that Sturgeon Bay is deserving of a larger boat that can accommodate a similar amount of people per trip to that of Fish Creek and Sister Bay. Cody has gleaned customer feedback and expertise of the boating community over the last 20+ years to help create the most dynamic and all-inclusive boat tour experience in Door County. Imagine the opportunities in boat tours for Sturgeon Bay with a boat that fits the bill.

Financial Considerations

*5 I have been blessed to have had the opportunity to be a part of two companies that achieved financial success. I will never forget the opportunity that was offered to me with Fish Creek Scenic Boat Tours as a part time captain. 4 years ago, my wife and I moved to Door County full time to take on a management roll with the company. In doing so, we added another boat to the fleet under the company name Sister Bay Scenic Boat Tours. Due to the two companies continued success, I realized the potential to expand into Sturgeon Bay would bring another asset to the Door County tourism market. The financial start-up of Sturgeon Bay Scenic Boat Tours mostly consists of the purchase of the vessel. We will propose the \$6,000 annual compensation for the dock rent, however, given the late start date in 2021, we would propose \$4200 for the 2021 season (\$6000 less 1.5 months). We would hope to agree on a flat rate, based on vessel length, to be the standard moving ahead to the future.

Company Summary

SBSBT is a new division that will provide a clean, safe and 100% certified and approved by the USCG tour experience. We currently carry a \$1,000,000 insurance policy for both Fish Creek Scenic Boat Tours and Sister Bay Scenic Boat Tours. The same would be true for Sturgeon Bay Scenic Boat Tours. The City of Sturgeon Bay would also be named as additionally insured.

*1, *7 I was new to the tour boat business in 2013 when I was a part time captain. Having now been in a management and ownership role, I have developed and modified the trips, boat, and experience for customers, to something I think we can all be proud of. Is what we propose a "new" concept to Sturgeon Bay? Well, you technically have had several powered tour boats there already. However, Fish Creek and Sister Bay Scenic Boat Tours has gone so far above and beyond its competitors. We will go even further on our new venture in Sturgeon Bay to include:

- Nightly live music (new to Sturgeon Bay)
- Brunch cruises (new to Sturgeon Bay)
- Maritime Museum Lighthouse events
- Bus tour business
- Weddings & receptions
- Corporate groups, family reunions, social get togethers
- July 4th Fireworks cruises
- Other specialty fireworks cruises
- Onboard beverage service
- Catered dinner cruises

The convenience of being located right next to the Door County Maritime Museum also offers an exceptional opportunity to grow our already existing great relationship.

Company Ownership

Sturgeon Bay Scenic Boat Tours is a division of Fish Creek Scenic Boat Tours, LLC which was created and legally organized as a Wisconsin Limited Liability Company based in Wisconsin in 2019. The principal owner and operator is Cody Bolton.

Company Locations and Facilities

*4 SBSBT would operate next to the Door County Maritime Museum on the west commercial dock. The City of Sturgeon Bay operates this property. Future operations will be under the control and direction of the City of Sturgeon Bay and their future development plans. It would be our desire, upon approval, to discuss the construction of a small ticket office for us to operate out of as well as work with the existing waterfront

project to accommodate the boat appropriately. We'd certainly like to offer handicap accessibility to guests and may need something to be refit to accommodate this. We would also request appropriate shore power (if not already installed) as well as fresh water hook up for a hose. The day-to-day business transaction with customers would be accomplished from the new ticket office located near the dock space on the West side of the Maritime Museum.

Services

The tour boat entails safety instruction pre-cruise, departing and returning location, a USCG inspected vessel and proper licensing and substance program for employees working aboard. USCG license documentation available upon request. Customers are offered 1 and a half hour tours with a narration or live music for \$39/adults, \$36/seniors, while kids 12 and under are only \$5. We do offer coupons through several local hotels, print advertising and social media campaigns. We also offer 10% redeemable coupon cards for returning customers. We have a very aggressive and effective group rate program to drive large groups to us. I can go through the details of our group rates if requested. Normal trip times are 11am, 1pm, 3pm and 7pm May through October. Tours departing Sturgeon Bay would encompass the Sturgeon Bay canal and its offerings as well as the outreaching areas on the Bay of Green Bay and Lake Michigan. All company bookkeeping will be conducted through an outside professional CPA. Financial information related to company revenues can be shared to the City of Sturgeon Bay upon agreeable reasoning.

Furthermore, SBSBT will operate in an effective and environmentally conscious manner. We will be solely responsible for the removal of trash and recyclables, as well as any maintenance chemicals such as engine oil and filters. Items will be removed off the property and disposed of accordingly. Our staff will be responsible for the basic maintenance and cleaning of the leased property.

***6 COVID-19**

Due to the Covid-19 pandemic, we will be enforcing extra safety precautions to safely operate the business. We do have the advantage to being an outdoor, open air activity. We will staff a full time boat cleaner to keep the boat as clean as possible as well as follow CDC guidelines. Passengers will have plenty of room on board to social distance and masks will be available upon request.

Competitive Comparison

The competitive differences between SBSBT and Door County competition are:

- 1) A better, friendlier, more knowledgeable and more experienced staff.

- 2) A flexible itinerary able to accommodate customized trips depending on weather, group sizes and desires.
- 3) Live music nightly.
- 4) Ability for guests to bring whatever they wish to eat and/or drink aboard.
- 5) Towing and mechanical assistance available for breakdowns and accidents by licensed professional seamen.

We are no longer a small company doing this on a whim or as an extra source of income. This is what we do and we take it very seriously because it is our livelihood.

Promotional Items

SBSBT will follow the same marketing strategy as Fish Creek and Sister Bay Scenic Boat Tours. In 2021, Fish Creek and Sister Bay Scenic Boat Tours spent \$17,992 on advertising to include: **See appendix B**

- Destination Door County Magazine
- Destination Door County Website
- Door County Maritime Museum Sponsor
- Email marketing with Mailchimp
- Facebook and Instagram campaigns
- Go! Guide
- Sister Bay Advancement Association
- Fish Creek Civic Association
- Egg Harbor Business Association (they allow us to advertise as non-competing businesses)
- Sister Bay Marina Fest
- Door County Living
- Landmark Hotel Guest Book
- Paper Boy brochures
- Road Runner brochures
- Tweak Social Media & Marketing
- Website (check out www.DoorCountyBoats.com for a representation)
- Door County Navigator
- Other various online outlets (YouTube, Instagram, Facebook, Google, Trip Advisor, Yelp, etc)

We try to be everywhere. In addition to the list above, detailed promotional maps are overlaid on actual nautical charts which are located in front of every seat on the boat along with binoculars in Fish Creek. These maps include many local restaurants and sites for people to explore once off the boat. In Fish Creek and Sister Bay, we have become the most utilized boat tour company in Northeast WI behind only the Washington Island ferries. We do a really good job of driving traffic. We bring customers from Sturgeon Bay, Egg Harbor, Baileys Harbor, Sister Bay, Fish Creek and Ephraim to ride on both of our existing tour boats. Bringing a boat into Sturgeon Bay

will allow us to drive our existing customers between all 3 of our locations because each location offers a different and unique experience. In 2020, we took out over 19,000 people and that was in a season with Covid-19. I believe having us as the operator in Sturgeon Bay is an important asset as we draw more people to boat tours than anyone else. Also, no other Door County power boat tour company offers the 24/7 online booking opportunity found through our website. We are a leading-edge company offering the most progressive program and the nicest boats in Door County.

Beyond our normal marketing package of nearly \$20k, SBSBT will be launching a spring 2021 campaign introducing Door County's newest tour boat. This is a not only a big deal for Sturgeon Bay, but Door County as well. This creates buzz to the tourist and jobs for the residents. Both key ingredients for support from Destination Door County and other tourism outlets. You will also see increased articles and electronic media blasts about the new business driven by Facebook and Instagram campaigns as well as email blasts to our already massive email list of over 15,000 contacts. If accepted, Sturgeon Bay will be getting a big promotional boost along with their new boat.

Monthly customer break-downs can easily be researched for Fish Creek Scenic Boat Tours through our state of the art booking software. The approximate monthly break-down in 2020 were as follows:

- May 273 passengers (generally approx. 2%)
- June 2,742 passengers (generally approx. 15%)
- July 6,333 passengers (generally approx. 33%)
- August 5,514 passengers (generally approx. 30%)
- September 3,085 passengers (generally approx. 16%)
- October 950 passengers (generally approx. 4%)

Our booking software also allows us to evaluate what customers are going at given times of day and on which trips. This allows us on the fly to modify our schedule and routes to better meet the demands of our consumer. We also track year to year to better evaluate weather trends, group bookings and yearly events. This on-time business evaluation contributes to us booking more customers than anyone else.

Future Services

What this boat does is ensure there is space on board, even during the busiest 2 mid-summer months. This boat also allows special large groups an opportunity to get on the water without leaving Sturgeon Bay. It is our hope that Sturgeon Bay realizes the large commitment SBSBT is making in bringing in such a boat to the area.

Market Analysis Summary

SBSBT focuses initially on tourists of Door County and local residents. The marketing of this business starts through our website, local print, online campaigns and extends

through word-of-mouth advertising and social media. Repeat business is attained through a well-maintained vessel and an experienced, enthusiastic crew.

Market Segmentation

Our largest group of customers in the tour businesses has come from repeat tourists of Door County looking for a new venture to explore. We have experienced a large demographic of older adults that can no longer enjoy the physical nature of boating, but find the ride on our tour boats to be very comfortable and convenient. The idea of an additional boat in Sturgeon Bay will offer another unique experience and give people a reason to come back. Another fairly large group we have reached is residents whom don't easily have a chance to enjoy the water due to the high cost of boat ownership. We have gained a strong following of locals utilizing our services for work parties, social gatherings, weddings, etc. Additionally, we accommodate bus tours as much as possible. There are plenty of coach busses coming to Door County from all over the country and we try to make sure they get to see the beauty of Door County from the water. We have an established relationship with several bus tour operators that return annually. We believe our experience of providing the perfect boat set up for these conditions along with our expertise on meeting visitor expectations bring a superior experience to the consumer, not to mention the professional abilities of our captains and crew. Our numbers and reviews demonstrate this point. **See appendix C**

Market Needs

Sturgeon Bay will be executing their waterfront development to be completed by the end of June 2021. Sister Bay has already done an excellent job in this area and is the only true comparison. Ephraim doesn't provide tourists with enough bang for their buck (although they do enjoy a fantastic sunset every evening). Egg Harbor has not yet begun a commercial waterfront. However, they do have a beautiful marina in place. Fish Creek remains to be one of the true small Door County towns without a truly developed waterfront area. This has left an open door for an upscale power boat company in Sturgeon Bay, which accommodates a need to experience the water. We have experienced a tremendous amount of customer appreciation and gratitude for the services we have been providing recently in Fish Creek and Sister Bay. This boat will be attracting wedding related groups, bus tours, family reunions, you name it. All good business for Sturgeon Bay as people go looking for food or shopping upon their return to shore.

Market Trends

This past year we have experienced something we never have in our lifetime. A global pandemic has locked people in their homes and they are itching to get out and do things. Outdoor, open air activities are the perfect solution. We also live in a day and age where we want instant gratification with minimal effort or investment. Therefore, boat tours offer an easier solution to getting out on the water and in turn helps stimulate

tourism and boating in Door County. Believe me; I wouldn't be making this level of investment if the Door County tourist market didn't support it.

Business Participants and Competition

The closest competition to SBSBT is Fish Creek Scenic Boat Tours. Luckily, this isn't true competition since it is a part of our group brand Door County Boats. This has shared ownership and guiding principles, which means a cooperative effort to drive traffic to the new Sturgeon Bay business. Our tour guides are local area experts and understand the big picture of the entertainment and experience our passengers are looking for. I believe we have a stable of seasoned captains that have a vast knowledge of boats and the waters of Green Bay. Our captains have over 50 years of licensing between them. We're the only live music show offered on the water. SBSBT offers the flexibility, performance and expertise making us the premier place to go for a boat tour.

Management Summary

The primary organizer of Sister Bay Scenic Boat Tours is Cody Bolton. SBSBT will employ 10-12 seasonal employees to handle tours seven days per week. I would rather not offer my individual employee wages, but I would be happy to divulge this information in closed session. I believe you will find that my captains and crew receive the highest captain/crew wages of all tour boats in Door County. The exception may be the captain positions on the Washington Island ferries. I currently employ 7 part-time captains, 8 part-time crew, 5 part-time musicians and 4 part-time office employees. I, personally, am an active owner in the company and act as the manager, as well as perform maintenance and repairs on our existing vessels.

Organizational Structure

Cody Bolton provides decision-making and financial investing as needed. The ultimate responsibilities of the LLC belong to Cody Bolton. The company collects revenue from the boarding tickets of tours. The employees maintain hourly wages for service to be paid from the company.

Management Team

*2 SBSBT is not departmentalized. The owner and organizer, Cody Bolton, is also the CEO, CFO, and planner. All decisions will be based upon the company mission statements. (*Sturgeon Bay Scenic Boat Tours is a business established to provide comfortable, safe and entertaining boat tours on the waters of Door County through a competent and friendly staff*). Cody Bolton has proven to be a qualified operator of such businesses due to a lifetime of experience on the water. Cody received his Masters Merchant Mariner Credential in 2007. He currently holds a 100 ton inland license & 50 ton Near Coastal with commercial towing endorsement, as well as TWIC, marine radio operator's permit, and CPR/1st aid certificate. He has been operating the Quo Vadis, a

53' commercial passenger vessel from 2013 – present. In 2017 he began captaining the newest, largest passenger tour boat in Door County, Norra Dörr (63', 149 passenger), out of Sister Bay Marina, and still captains and maintains the vessel to date. Also in 2017, Cody joined Fish Creek Scenic Boat Tours & Sister Bay Scenic Boat Tours to take on a year round management position. He is the current owner of the Quo Vadis and Fish Creek Scenic Boat Tours and manages Sister Bay Scenic Boat Tours.

Financial Plan

The bulk of the startup cost for SBSBT rests on the purchase of the boat. This boat will be financed by Cody Bolton and paid for from the boarding tickets sold to tour customers of this boat.

Projected Profit and Loss

Considering the expenses of dock space, insurance, boat maintenance and cleaning, boat loans and licensing/registration, a break-even analysis can be found for tours to exceed these costs. I am generally conservative when making projections. My forecasted projections over the next 5 years are as follows:

- 2021 5,000 passengers (given the late start date)
- 2022 8,000 passengers
- 2023 10,500 passengers
- 2024 14,000 passengers
- 2025 16,000 passengers

The slow start is attributed to the fact that this will be a new boat/business starting on short notice, as well as the given start date of July 1, 2021. Fish Creek and Sister Bay are currently better known for the tours they offer. A realistic break-even for the company's financial net would be attained within year 5 of operations. SBSBT is moving ahead with the hopes that the business is received well and future contracts and space are forth coming. We would certainly honor and encourage another RFP process at any time. I believe if you're not evolving and growing to bring a better product to the area than a competitor, then you no longer deserve the right to occupy the space. I welcome an RFP. I think we should always evaluate our competition and Sturgeon Bay deserves that. This is and always should be a two-way partnership. As a business owner this keeps you striving and keeps you on top.

Conclusion

Sturgeon Bay Scenic Boat Tours is a flexible organization that is willing and able to work with the City of Sturgeon Bay to create a win-win situation of business and interactive waterfront growth. It is our goal to grow the tour boat business in Sturgeon Bay and get as many people as we can out on the water to create good times and memories for the duration of the boating season. We take great pride in the product we deliver and I hope it shows. We are grateful for the opportunity to expand our already

successful operation. All terms and conditions proposed in the above business plan are negotiable and flexible. We hope to do business in Sturgeon Bay in 2021!

***8** References

Business & Financial References

1. Eric Lundquist – former owner Fish Creek Scenic Boat Tours & Sister Bay Boat Rental, existing owner Sister Bay Scenic Boat Tours
Elundquist2010@gmail.com
2. Eric DeJardine – Nicolet National Bank
edejardine@nicoletbank.com
3. Russ Forkert – Owner of Yacht Works, Inc
russ@yachtworks.net

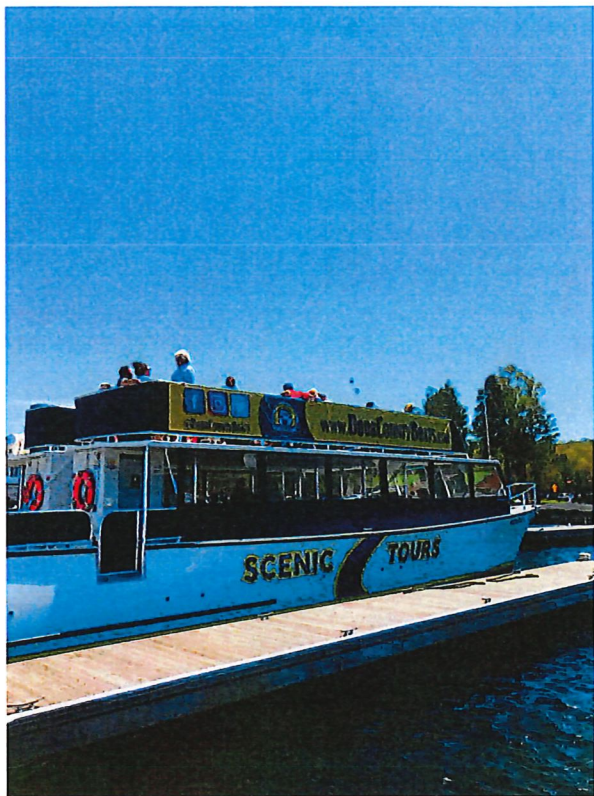
Client References

1. Carrie Baldwin – Door County Events
carrie@doorcountyevents.com
2. Victoria Bearss – Sunrise Tours
victoria@travelsunrise.com
3. Elaine DeMarb – Door County Group Tours
doorcountygrouptours@gmail.com

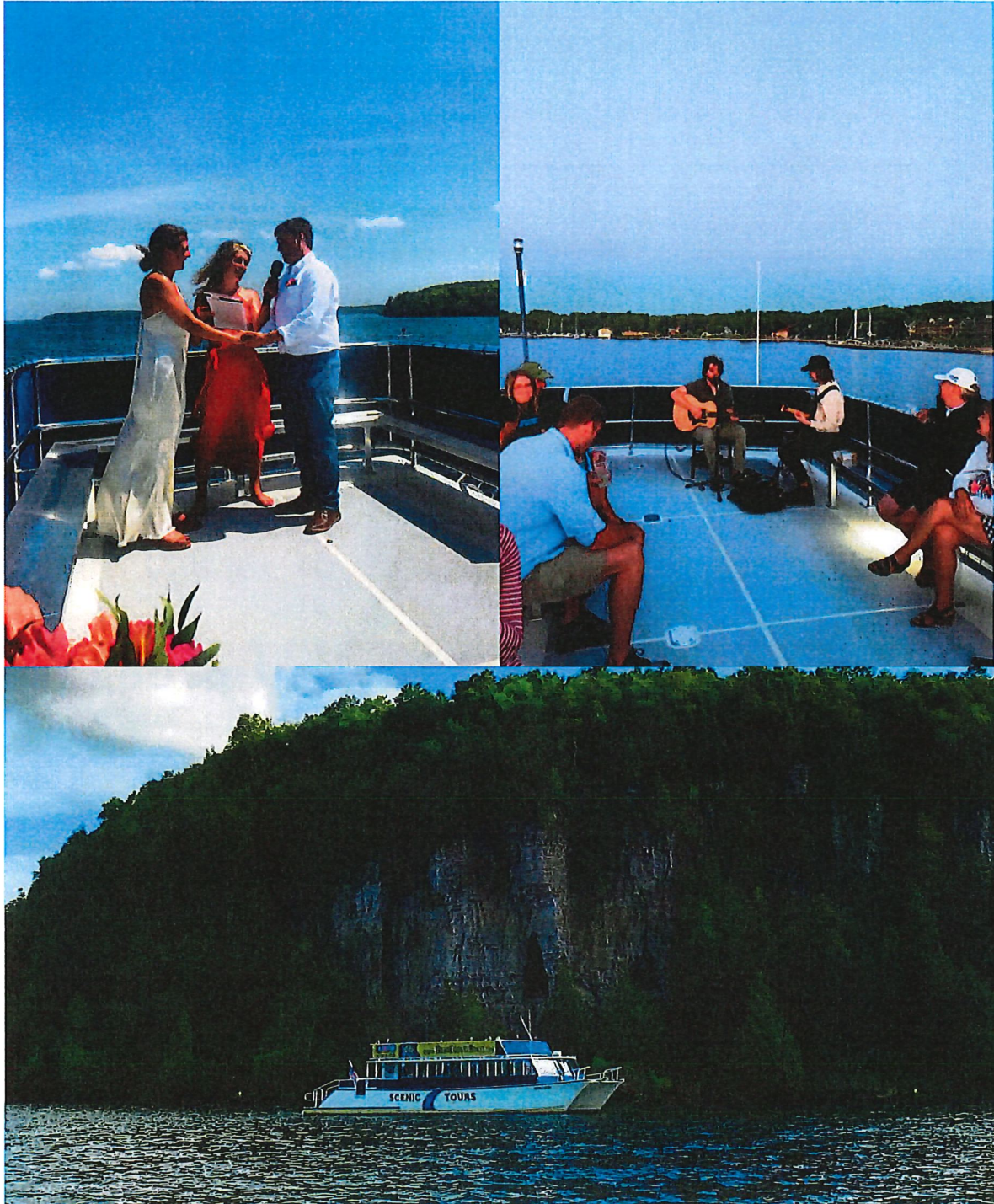
Respectfully Submitted,

Cody Bolton, President
Sturgeon Bay Scenic Boat Tours
414-852-9582

Appendix A





Appendix A



THE BOAT - "QUO VADIS"


Departs daily from Fish Creek Marina
 Captain's Licensed and USCG Masters Certified
 U.S. Coast Guard Inspected
 Vessel Certified for 69 passengers

PRIVATE CHARTERS

Reserve Private Charters within office, special rates apply. Private Charters include: social group gatherings, corporate events, birthday parties, Chambers Island lighthouse tours, family reunions, wedding related events including, but not limited to, ceremonies, rehearsals, and receptions, etc. Set up your time, trip route, number of passengers, specify lunch menu, live music, trip duration, etc.

BUS TOURS are welcome, special rates apply. Bus drop-off conveniently located directly in front of ticket office. Boat parked immediately behind office. Hand railings provided for easy access onto and off of boat. We custom build your trip specifically to the interests of your group. Call for rates.



CALL 920.421.4442 FOR RESERVATIONS

2021 SPECIALTY CRUISES

EPHRAIM FIVE BAY SUNSET LIVE MUSIC • FIREWORKS CRUISE
 June 19, 8pm from Sister Bay Watersports Booth
 Come along for an evening of music, a sunset, and a beautiful fireworks display as part of the annual Five Bay celebration in Ephraim, WI. Tickets book quickly so be sure to get yours now!

EGG HARBOR SUNSET LIVE MUSIC • FIREWORKS CRUISE
 June 28, 8pm from Fish Creek Marina
 Come aboard with us as we depart the busy holiday shores to view Egg Harbor's beautiful fireworks celebration from our late boat in the harbor. Live music on board will take your mind away as you relax under the stars on the way to and from the show. Be sure to bring any food or beverages along for the ride and a light jacket for those occasional cool Door County nights. Tickets book quickly - get yours now!

DCAM LIGHTHOUSE FESTIVAL CHAMBERS ISLAND CRUISE
 June 12th, 10th & October 2nd
 Call or visit website for details

RESERVATIONS RECOMMENDED

Online: www.DoorCountyBoats.com



- Bring items to eat or drink
- Please arrive 30 minutes before departure
- Enjoy one of our cruises and get 10% off any additional trip of your choice

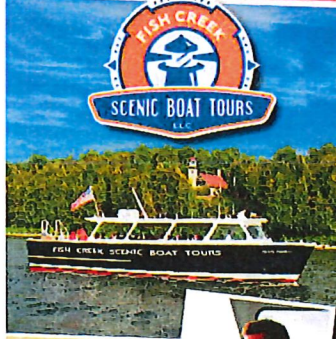

CONTACT US

Phone: 920.421.4442

Location: 9418 Spruce Street • Fish Creek, WI 54212
 Downtown Fish Creek at Marina
 Parking Street: Mitchell Avenue (Marine)
 Email: info@doorcountyboats.com
 Social Media: @doorcountyboats

FISH CREEK BOAT RENTALS
 Tubing, Inflatable & More

BOAT TOURS






Departs from Fish Creek Marina
 Make Reservations Online:
WWW.DOORCOUNTYBOATS.COM

Brochures

THE BOAT - "NORRA DÖRR"


Departs daily from Sister Bay Marina
 Captain's Licensed and USCG Masters Certified
 U.S. Coast Guard Inspected
 Vessel Certified for 149 passengers

PRIVATE CHARTERS

Reserve Private Charters within office, special rates apply. Private Charters include: social group gatherings, corporate events, birthday parties, Chambers Island lighthouse tours, family reunions, wedding related events including, but not limited to, ceremonies, rehearsals, and receptions, etc. Set up your time, trip route, number of passengers, specify lunch menu, live music, trip duration, etc.

BUS TOURS are welcome, special rates apply. Bus drop-off conveniently located directly in front of ticket office. Boat parked immediately behind office. Hand railings provided for easy access onto and off of boat. We custom build your trip specifically to the interests of your group. Call for rates.



CALL 920.421.4444 FOR RESERVATIONS

2021 SPECIALTY CRUISES

EPHRAIM FIVE BAY SUNSET LIVE MUSIC • FIREWORKS CRUISE
 June 19, 8pm from Sister Bay Watersports Booth
EGG HARBOR SUNSET LIVE MUSIC • FIREWORKS CRUISE
 July 3, 8:15pm, Sister Bay Marina Watersports Booth
GILLES ROCK SUNSET LIVE MUSIC • FIREWORKS CRUISE
 July 4, 8:15pm, Sister Bay Marina Watersports Booth
SISTER BAY FIREWORKS FEST FIREWORKS • LIVE MUSIC CRUISE
 July 17, 9 pm, Sister Bay Marina Watersports Booth
SISTER BAY MARINA FIREWORKS • LIVE MUSIC CRUISE
 September 4, 7:45 pm, Sister Bay Marina Watersports Booth

All days depart from Sister Bay Marina Watersports Booth

RESERVATIONS RECOMMENDED

Online: www.DoorCountyBoats.com



- Full bar on board
- Please arrive 30 minutes before departure
- Enjoy one of our cruises and get 10% off any additional trip of your choice
- Wheelchair accessible

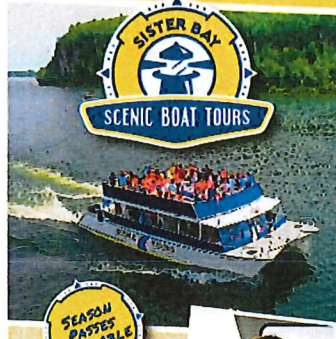

CONTACT US

Phone: 920.421.4444

Location: 10707 N. Bay Shore Drive • Sister Bay, WI 54238
 Downtown Sister Bay at Marina
 Parking on Sunset Avenue (Marine)
 Email: info@doorcountyboats.com
 Social Media: @doorcountyboats

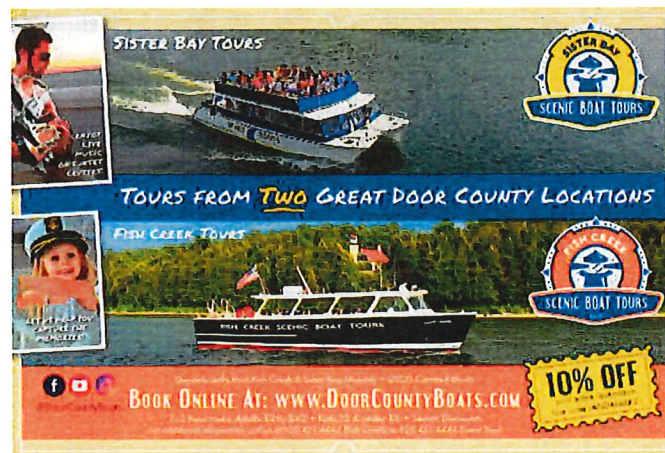
SISTER BAY BOAT RENTAL
 Jet Skis • Tubing • Inflatable & More

BOAT TOURS

Departs from Sister Bay Marina
 Make Reservations Online:
WWW.DOORCOUNTYBOATS.COM

Appendix B



Sample print and social media ads

Appendix B

[Campaign Preview](#) [HTML Source](#) [Plain Text Email](#) [Details](#)

Now through SUNDAY

**Take 10% off all tours for
your entire group
Use code: **SPRING1** at
checkout**



*coupon can be used as many times as you'd like during the promotional period
Coupon is valid for all standard boat tours only. Specialty cruises and
discounted tours do not qualify for discount.

**Full tour schedule available at
DoorCountyBoats.com**



Happy to help.

Have questions? We are only a phone call, an email or a message at our various social outlets away!




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2000年12月15日


[Article and references of A. Williams from first vol](#)


Sample Mailchimp email marketing campaign


Appendix C


**Door County Boats**

 Edit Book Now



 Promote










Recommendations & Reviews

 **5 out of 5** 
Based on the opinion of 28 people




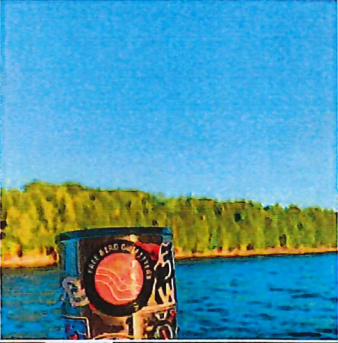

Have Feedback About Your Business' Reviews Experience?


We've made changes to the Reviews tab and would love your feedback. What do you think of the new experience?


Share Feedback

**Jess Van Curen** recommends Door County Boats. 
August 5, 2020 · 


Always such a fun time! Great music and sunsets! 🙌🌅🇺🇸

 +6



**Gina Stoffel**
★★★★★ 26 weeks ago

We had a wonderful time on our tour!! Jerry was very knowledgeable about the area and a great story teller!! We would definitely go again!!


**Fish Creek Scenic Boat Tours (owner)**
26 weeks ago

Thanks for the review Gina! Glad you enjoyed the tour and we'll be sure to pass this on to Jerry. Also, thanks for being a trooper in the strong winds and big waves yesterday!


-Cody


Edit

Delete


**Lou zbcgvc, sdhvc basd, lvndlvk**
★★★★★ 26 weeks ago

The user didn't write a review, and has left just a rating.

 Reply

**JIM WIDEMAN**
★★★★★ 26 weeks ago

Jerry our narrator was very knowledgeable on the area and was very professional and was willing to ask any and all questions. Brian was our captain and drove the boat very courteously and thanks Brian for your service to the Green Bay for 20 years and keeping the waterways safe.

 Reply

Appendix C

Amazing!



Fish Creek Scenic Boat Tours

Oct 14, 2020

No Response

Sunset Cruise



Fish Creek Scenic Boat Tours

Oct 13, 2020

No Response

Great boat tour.



Fish Creek Scenic Boat Tours

Oct 12, 2020

No Response

"Millionaire's Row" — Don't let the name fool you!



Fish Creek Scenic Boat Tours

Oct 12, 2020

No Response

A fun afternoon



Fish Creek Scenic Boat Tours

Oct 12, 2020

No Response



Reviewed by tjmoranjr

Oct 15, 2020

Awesome!



This was one of the best boat tours I have experienced! The crew was awesome and the boat was incredibly clean!

Your response

Appendix D



Sample Ticket Office





**City of Sturgeon Bay
Request for Proposal**

Tour Boat Services based at West Waterfront Promenade

Issued Date:

March 22, 2021

Due Date:

April 22, 2021

5:00pm CST

Respond to:

smiller@sturgeonbaywi.org

or

City of Sturgeon Bay
Attention: Josh VanLieshout, City Administrator
421 Michigan Street
Sturgeon Bay, WI 54235

BACKGROUND INFORMATION

The City of Sturgeon Bay ("City") is the largest city in Door County, WI with a year-round population of 9,130. Our city is located on the Door Peninsula, which is almost entirely surrounded by water – Lake Michigan to the east and the waters of Green Bay and Sturgeon Bay to the west. Door County hosts nearly two million visitors each year. In addition to its status as a popular vacation destination with magnificent natural beauty, the City also boasts a thriving business climate. The tour boat slip ("Location") is located along the new West Waterfront Promenade (estimated completion June 2021) adjacent to the Door County Maritime Museum and between the west entrances to the two downtown bridges. The City of Sturgeon Bay's on-going West Waterfront Redevelopment will increase pedestrian interest and traffic flow to and from the area, which will provide economic opportunities for vendors providing services of interest to those visitors.

PURPOSE

This REQUEST FOR PROPOSAL (RFP) by the City of Sturgeon Bay invites proposals from Tour Boat Operators ("Operator(s)") who are interested in docking, maintaining, and operating a boat, ship, or other vessel ("Tour Boat") at the City's west waterfront tour boat slip. Tour Boat operators are those that give tours to passengers on Sturgeon Bay and neighboring waters. Tour boats have operated on Sturgeon Bay in the past; however, those tours have not run for several years. It is expected that the renewal of tours from the City's west waterfront will greatly benefit from the increased interest in the area as a result of the enhancements currently underway. Operators will work with the City in establishing this west waterfront location as a recreational destination through their leasing of the location. The City of Sturgeon Bay is seeking and will select a company that best demonstrates the ability to safely utilize the location while providing innovative, affordable and reliable services to tourists and the Sturgeon Bay/Door County community, and while paying a reasonable fee to the City of Sturgeon Bay.

SCOPE OF WORK

Occupy a commercial tour boat slip with a business providing commercial boat tour activities (may include dinner cruises, though they are not required) that appeal to the Sturgeon Bay/Door County residential and business community and draw out-of-town visitors. Boat tour activities may not include public commuter use or operations solely for personal pleasure.

The City of Sturgeon Bay's tour boat slip is located within Sturgeon Bay at the west waterfront between Michigan and Maple Streets (See Attachment – Slip Location). All applicants are encouraged to visit the location prior to submitting a proposal. It is the responsibility of the Operator to verify location is adequate to safely support the equipment and services necessary to operate. Any suggested modifications or improvements to the dock shall be at the sole expense of the successful bidder and will require advance written approval from the City. The tour boat slip is 75 feet long by 25 feet wide. Current water depth is greater than five (5) feet. Current site services and equipment included are Cleats and Electrical hook-up (50 amp & 20amp). Cleat size, number, and adequacy should be field verified by Operator. At present, no public restrooms are available in the immediate vicinity, though facilities will soon be provided on the West Waterfront Promenade at the historic Teweles and Brandeis Granary. Parking is available in the public lot adjacent to the Door County Maritime Museum ("Museum").

Close proximity to the Museum will require a cooperative working relationship between the Operator and the Museum. The operation of the Tour Boat will be mutually beneficial to both the Operator and the Museum. The Operator will be required to remove the vessel during the Museum's Maritime Festival events (usually held the 2nd weekend in August each year).

In consideration for the right and privilege to conduct business at the City of Sturgeon Bay Tour Boat slip, the Operator must agree to pay the City of Sturgeon Bay annual lease/rent fees. Lease term is negotiable. The projected date for service commencement is July 1, 2021 or as negotiated.

PROPOSAL REQUIREMENTS

Proposals must include the following:

1. A description of qualifications/experience in providing tour boat service:
 - a. Business experience including description of businesses.
 - b. Number of years of operation of such service.
 - c. Number of passengers transported in previous years.
 - d. Number of tours conducted in previous years.
 - e. Number of employees and experience level of employees.
 - f. Any bankruptcy notices or filings over the past five (5) years.
 - g. Summary of all legal actions, proceedings, convictions, citations, and fines received by the Operator in connection with the operation of any Tour Boat for the past three (3) years.
2. A business plan, including:
 - a. A complete description of proposed business operations and services including:
 - i. Standard routes, description of services, and schedule for the Tour Boat
 - ii. Maintenance of the location
 - iii. Plan for environmentally friendly methods of operations, cleaning and activities in order to protect the waters of Sturgeon Bay and its wildlife at the location and aboard the Tour Boat.
 - iv. Plan for collection and disposal of trash and recycling at the location and aboard the Tour Boat
 - b. Detailed information on the Operator's proposed fee schedule for items and/or services proposed, inclusive of Wisconsin State sales tax and any other applicable governmental charges.
 - c. A statement outlining how the Operator will document and report revenues and expenditures.

3. Photos and Descriptive Literature:

- a. The size, dimensions, and capacity of the Tour Boat (preference given to motor vessels) must be reasonably commensurate with the dock footage of the location from which the Tour Boat will be operated. Please submit:
 - i. Drawings and/or other schematics depicting the design and construction of the Tour Boat. Please include height from the waterline, location of all access-ways, and description of boarding fixtures/features at all such access-ways.
 - ii. Evidence sufficient to clearly indicate the detail of the appearance of the Tour Boat, including finishes, decoration, size, shape, and internal and external appearance.
 - iii. Photographs of the Tour Boat should be supplied where possible.
- b. Please submit summaries of the safety and sanitation features of the Tour Boat.

4. Tenant improvements:

- a. Improvements may be considered depending on the integrity of the dock, the usefulness, and community benefit.
- b. Submit proposals for dock improvement/development for the site. Include visual concepts or drawing to guide us through your proposal. Technical designs and plans are not needed at this time.
- c. Any modifications or improvements desired by the Operator shall be installed at the sole expense of the Operator and require advance written approval from the City of Sturgeon Bay. It is the responsibility of the Operator to obtain applicable permits needed to install any modifications or improvements. The modifications and improvements shall become the property of the City upon completion of installation. The Operator shall be entitled to utilize the modifications and improvements while the lease agreement is in effect.

5. Proposed compensation to be paid to the City of Sturgeon Bay will include monthly lease payments. Operator must propose their lease payment. The minimum lease payment the City will consider is \$6,000.00/yr.

6. A description of how operations will incorporate COVID-19 limitations.
7. Examples of relevant projects:
 - a. Provide information about similar projects or clients for whom you have provided similar operations and services.
8. References:
 - a. Please provide three Business/Financial references.
 - b. Please provide three Client references.
 - c. References could include financial institutions, suppliers, insurance companies, clients, etc. Do not use the same references for both Client References and Business References.

LEASE REQUIREMENTS

If your proposal is accepted the following requirements will be met and provided upon award, prior to the issuance of the lease:

1. City of Sturgeon Bay business license.
2. U.S. Department of Homeland Security / U.S. Coast Guard Certificate of Inspection for Tour Boat and crew credentials.
3. Insurance policies of comprehensive marine and/or general liability insurance to include bodily injury liability insurance and property damage insurance. The limits of said coverage shall be One Million Dollars (\$1,000,000.00) per occurrence. The policies for the above referenced coverages shall name the City of Sturgeon Bay as additional insured for use of the leased premises.
4. For operations which include alcohol service:
 - a. State of Wisconsin Liquor License.
 - b. Proof of Liquor Liability insurance coverage.
5. Door County Health Department permit.
6. Payment for lease paid monthly.

EVALUATION CRITERIA

A panel of City staff will review the qualified bids and Operator qualifications as submitted in this RFP process. The highest qualified Operators may be interviewed as necessary and final recommendations made to the Finance, Purchasing, and Building Committee. Prior to the commencement of work the City and the selected Operator will meet to settle lease details. Final approval of the Operator's lease agreement with the City will be made by the Common Council.

TERMS AND CONDITIONS

The City of Sturgeon Bay reserves the right to reject any and all proposals. This RFP does not obligate the City to pay any costs incurred by Operator in the preparation and submission of a proposal. The City reserves the right to award a contract to the next most qualified Operator if the successful Operator does not execute a contract within forty-five (45) days following acceptance of the proposal.

QUESTIONS

Questions regarding the scope of work, evaluation, or RFP process should be addressed to Josh VanLieshout, City Administrator at smiller@sturgeonbaywi.org.

PROPOSAL SUBMITTAL INSTRUCTIONS

1. To be evaluated, a proposal must address all requirements and instructions contained within.
2. Provide all references and materials required by the RFP instructions within.
3. Please include your name, business name, legal name of the organization, business address, email address, and phone number.
4. The proposal must be signed by an official who is legally authorized to bind the organization.
5. We encourage proposals be submitted by email. Emailed proposals should include "Tour Boat Services" in the subject line and be addressed to smiller@sturgeonbaywi.org

6. As an alternate to email, proposals can be mailed to:

City of Sturgeon Bay

Attention: Josh VanLieshout

421 Michigan Street

Sturgeon Bay, WI 54235

7. **Proposals must be received by no later than 5:00pm on April 22, 2021.**

TENTATIVE SELECTION SCHEDULE

1. March 22, 2021 – RFP advertised and mailed to Operators
2. April 22, 2021 – Proposals due
3. May 11, 2021 – Review of proposals by Finance/Purchasing & Building Committee, Recommendation to Common Council made.
4. May 12, 2021 – June 30 – Negotiate Terms of Service

ATTACHMENTS:

1. Slip Location

Mailing/Contact List, RFP for Tour Boat

Sail Door County

Peder Nelson
10707 North Bay Shore Drive
Sister Bay, WI 54234

Fish Creek / Sister Bay Scenic Boat Tours

Cody Bolton
2301 Flintridge Road
Sister Bay, WI 54234
414-852-9582
codybolton@gmail.com
www.DoorCountyBoats.com

The Shoreline Scenic Cruises – returned by USPS, emailed, they responded

Jim Robinson
Shoreline Scenic Cruises
P.O. Box 307
Ellison Bay, WI 54202 – corrected address

Jim Robinson (c) 920-421-0948 (The Shoreline, Gills Rock)
goboating@shorelinecharters.net
Gills Rock Office – 920-421-0922

Ronnie Robinson (wife) (c) 920-421-0950
nnomama307@gmail.com
Gills Rock Office – 920-421-0922

Geoff Cronk (c) 920-839-5666 (The Water Taxi, Baileys Harbor)
geoffcronk@yahoo.com
Baileys Harbor Office – 920-854-4707

Door County Adventure Rafting

PO Box 572
Fish Creek, WI 54212

Gage Lake Geneva Cruise Line

Summer Harbor Office
Riviera Docks
812 Wrigley Drive

Lake Geneva, WI 53147

Winter Harbor Office – mailed to this address

Pier 290 / Gage marina

1 Liechty Drive

Williams Bay, WI 53191

Fox River Tours

c/o River Tyme Bistro

425 W. Water Street

Appleton, WI 54911

Milwaukee Boat Line – returned by USPS, emailed

101 W Michigan St

Milwaukee, WI 53203

Milwaukee River Cruise Line

205 W. Highland Ave., Suite 204

Milwaukee, WI 53203

Apostle Island Cruises

Bryce Albrect, Manager – responded, will not be submitting a proposal

2 Front Street

Bayfield, WI 54814

Bennett LaChappelle – called 4.1.21 asking if a Captain's license was required, packet sent on 4.1.21

3484 Irish Trail

Sturgeon Bay, WI 54235

Sail Sturgeon Bay

Susan Kurtz – called 3.22.2021 asking about the ad. Packet sent on 3.22.2021

107 North 1st Avenue

Sturgeon Bay WI 53235

6

6

EXECUTIVE SUMMARY

TITLE: Ordinance repealing and recreating Section 3.03(3)(a) and (4) of the Municipal Code: Claims against the City/payments of bills (Manual Checks)

BACKGROUND: Per section 3.03 (3) (a) of the Municipal Code, prior to paying any claims against the City the City's Finance/Purchasing and Building Committee must first certify the claims, and then present them to the Common Council for approval of payment. However, there are exceptions to the certification and approval process based on the type of claim. These claims are detailed in the Municipal Code under section 3.03 (3)(a) and (4) which are as follows.

Section 3.03, Claims against the City - ***Excerpt***

(3) *[Payment of bills.]* Payment of bills where the timing is such that they cannot wait to be approved and processed at the next meeting of the common council.

(a) Other than claims subject to § 893.80 Wis. Stats., payments may be made from the city treasury prior to review of elected officials or committees for the following types of bills after the clerk audits and approves each claim as a proper charge against the treasury and endorses his/her approval on the claim: credit cards, insurance, unemployment, internet service, bond payments, bank loans, contracts, leases, agreements, security deposits, emergency purchases, utilities, cafeteria plan, transfers to other governmental units, and bills where a discount may be obtained.

Staff is asking that pass-through grants be added to the exception list. Periodically, the City receives passthrough grants, sometimes sizeable, such as the WEDC grant for SB Life is Good, in which the end recipient is due the funds and would like to receive them timelier than what City payment procedures allow. It is this type of payment that staff is asking to add to the exception list.

(4) *Payment of regular wages or salaries.* Regular wages or salaries of city officers and employees shall be paid by payroll, verified by the proper city official, department head, board or commission and filed with the clerk in time for payment on the regular payday.

Staff is asking that employee retirement, disability, or death benefit payouts be added to the exception list. For example, upon retirement, disability or death, accumulated sick leave is directed into a post-employment health reimbursement plan qualified under IRS Code 105 and 106. Qualified retirement means the employee is entitled to retirement benefits as defined by the Wisconsin Retirement Fund at the time of separation of employment. It is this type of payment that staff is asking to add to the exception list.

FISCAL IMPACT: Adding the aforementioned claim types to Section 3.03, (3) (a) and (4), of the Municipal Code has no fiscal impact to the City as the claims are legitimate and would in due time be certified for payment.

OPTIONS:

1) Add passthrough grants to section 3.03 (3) (a) of the Municipal Code and employee retirement, disability, or death benefit payouts to section 3.03 (4) of the Municipal Code allowing for timelier payments in regard to those payments.

2) Deny the request to add passthrough grants to section 3.03 (3) (a) of the Municipal Code and employee retirement, disability, or death benefit payouts to section 3.03 (4) of the Municipal Code allowing for timelier payments in regard to those payments.

Denying this request would simply mean business as usual for certification, approval and processing of passthrough grants and employee retirement, disability, or death benefit payouts

RECOMMENDATION:

Recommend to the Common Council to add passthrough grants to section 3.03 (3) (a) of the Municipal Code and employee retirement, disability, or death benefit payouts to section 3.03 (4) of the Municipal Code allowing for timelier payments in regard to those payment types.

(3) *[Payment of bills.]* Payment of bills where the timing is such that they cannot wait to be approved and processed at the next meeting of the common council.

(a) Other than claims subject to § 893.80 Wis. Stats., payments may be made from the city treasury prior to review ~~of by~~ elected officials or committees for the following types of bills after the clerk audits and approves each claim as a proper charge against the treasury and endorses his/her approval on the claim: credit cards, insurance, unemployment, internet service, bond payments, bank loans, contracts, leases, agreements, security deposits, emergency purchases, utilities, cafeteria plan, transfers to other governmental units, passthrough grants, and bills where a discount may be obtained.

(4) *Payment of regular wages, ~~or~~ salaries, or employee retirement, disability, or death benefit payouts.* Regular wages, ~~or~~ salaries, or employee retirement, disability, or death benefits of city officers and employees shall be paid by payroll or through accounts payable to benefit providers, verified by the proper city official, department head, board or commission and filed with the clerk in time for payment on the regular payday.

PREPARED BY:

Valerie J. Clarizio
Valerie J. Clarizio
Finance Director/City Treasurer

5/6/21
Date

APPROVED BY:

Josh VanLieshout
City Administrator

Date

ORDINANCE NO. _____

THE COMMON COUNCIL OF THE CITY OF STURGEON BAY, WISCONSIN DO ORDAIN AS FOLLOWS:

SECTION 1: Section 3.03(1)(a) and (4) of the Municipal Code of the City of Sturgeon Bay, Wisconsin is hereby repealed and recreated to read as follows:

(3) *[Payment of bills.]* Payment of bills where the timing is such that they cannot wait to be approved and processed at the next meeting of the common council.

(a) Other than claims subject to § 893.80 Wis. Stats., payments may be made from the city treasury prior to review ~~of by~~ elected officials or committees for the following types of bills after the clerk audits and approves each claim as a proper charge against the treasury and endorses his/her approval on the claim: credit cards, insurance, unemployment, internet service, bond payments, bank loans, contracts, leases, agreements, security deposits, emergency purchases, utilities, cafeteria plan, transfers to other governmental units, passthrough grants, and bills where a discount may be obtained.

(4) *Payment of regular wages, ~~or salaries~~, or employee retirement, disability, or death benefit payouts.* Regular wages, ~~or salaries~~, or employee retirement, disability, or death benefits of city officers and employees shall be paid by payroll or through accounts payable to benefit providers, verified by the proper city official, department head, board or commission and filed with the clerk in time for payment on the regular payday.

SECTION 2: This ordinance shall take effect on the day after its publication.

Approved:

David J. Ward, Mayor

Attest:

Stephanie L. Reinhardt, City Clerk

DATE: 05/07/1921
TIME: 09:24:22
ID: AP443ST0.WOW

CITY OF STURGEON BAY
DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 05/18/2021

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
GENERAL FUND				
GENERAL FUND				
	BALLFIELD LIGHTING			
WPPI ENG	WPPI ENERGY	05/21 ATHLETIC FLD LIGHT PROJ	01-000-981-70000	1,365.39
TOTAL BALLFIELD LIGHTING				1,365.39
TOTAL GENERAL FUND				1,365.39
LAW/LEGAL				
16555	PINKERT LAW FIRM, LLP	03/21 NUISANCE PROPERTY/HORNER	01-110-000-55010	292.50
TOTAL				292.50
TOTAL LAW/LEGAL				292.50
ADMINISTRATION				
17700	QUILL CORPORATION	LABEL MAKER TAPE	01-120-000-51950	35.98
TOTAL				35.98
TOTAL ADMINISTRATION				35.98
COMPUTER				
04696	DOOR COUNTY TREASURER	04/21 IS INTERNET	01-125-000-55550	100.00
04696		04/21 2ND QTR SOFTWARE FEE	01-125-000-55550	7,221.96
04696		04/21 TECH SUPPORT	01-125-000-55550	2,500.00
04696		04/21 1ST QTR 2021 FIBER LCATE	01-125-000-55550	420.44
04696		04/21 4G INTERNET	01-125-000-55550	375.00
TOTAL				10,617.40
TOTAL COMPUTER				10,617.40
CITY ASSESSOR				
ASSO APP	ASSOCIATES APPRAISAL	05/21 CONTRACT	01-130-000-55010	4,916.67
TOTAL				4,916.67
TOTAL CITY ASSESSOR				4,916.67
BUILDING/ZONING CODE ENFORCEMT				
DCI	DOOR COUNTY INSPECTIONS, LLC	04/21 PERMITS	01-140-000-55010	15,876.65
TOTAL				15,876.65
TOTAL BUILDING/ZONING CODE ENFORCEMT				15,876.65

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CITY OF STURGEON BAY
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 05/18/2021

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

GENERAL FUND				
ELECTIONS DEPARTMENT				
DOMINION	DOMINION VOTING SYSTEMS, INC	ICE INK CARTRIDGES	01-155-000-54999	107.64
TOTAL				107.64
TOTAL ELECTIONS DEPARTMENT				107.64
CITY HALL				
23730	WPS	1227 EGG HARBOR RD	01-160-000-56600	371.46
VIKING	VIKING ELECTRIC SUPPLY, INC	LED LIGHTS	01-160-000-55300	61.32
VIKING		LIGHTING PARTS	01-160-000-55300	132.62
VIKING		SWITCH	01-160-000-54999	57.15
WARNER	WARNER-WEXEL WHOLESALE &	CLEANING SUPPLIES	01-160-000-55300	79.08
TOTAL				701.63
TOTAL CITY HALL				701.63
GENERAL EXPENDITURES				
04696	DOOR COUNTY TREASURER	04/21 CITY HALL PHONE SVC	01-199-000-58200	43.88
04696		04/21 FIRE PHONE SVC	01-199-000-58200	14.21
04696		04/21 DPW PHONE SVC	01-199-000-58200	21.85
04696		04/21 POLICE PHONE SVC	01-199-000-58200	18.88
WIPFLI	WIPFLI LLP	FINAL BILLING 12.31.20 AUDIT	01-199-000-55150	4,200.00
TOTAL				4,298.82
TOTAL GENERAL EXPENDITURES				4,298.82
POLICE DEPARTMENT				
04150	DEJARDIN CLEANERS LLC	LAUNDER UNIFORM/BRINKMAN	01-200-000-56800	8.00
15890	PACK AND SHIP PLUS	SHIP EVIDENCE CRIME LAB	01-200-000-57250	12.67
WAUKESHA	WAUKESHA COUNTY TECH COLLEGE	PROF DEV SEMINAR/HENRY	01-200-000-55600	125.00
TOTAL				145.67
TOTAL POLICE DEPARTMENT				145.67
POLICE DEPARTMENT/PATROL				
02005	BAY ELECTRONICS, INC.	SQUAD 10 SERVICE	01-215-000-57550	210.00
02005		SQUAD 50 SERVICE	01-215-000-58600	472.50
14875	NWTC GREEN BAY	LESB FIREARMS REG/COYHIS	01-215-000-55600	525.00
14875		LESB FIREARMS REG/ENGEBASE	01-215-000-55600	525.00
ENGEBASE	KYLE ENGEBASE	TRAINING MEAL EXPNES/ENGEBASE	01-215-000-55600	80.56
TOTAL				1,813.06
TOTAL POLICE DEPARTMENT/PATROL				1,813.06

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CITY OF STURGEON BAY
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INVOICES DUE ON/BEFORE 05/18/2021

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

GENERAL FUND				
POLICE DEPT. / INVESTIGATIONS				
ACCURINT	LEXISNEXIS RISK SOLUTIONS	04/21 CONTRACT FEE	01-225-000-57950	105.00
TOTAL				105.00
TOTAL POLICE DEPT. / INVESTIGATIONS				105.00
FIRE DEPARTMENT				
06650	GALLS, AN ARAMARK COMPANY	UNIFORM PANTS	01-250-000-52900	184.80
EMERTECH	EMERGENCY TECHNICAL DECON	GEAR MAINTENANCE/CLEANING	01-250-000-56250	1,600.00
KUSSMAUL	KUSSMAUL ELECTRONICS CO, INC	MAINTAINER/B8	01-250-000-53000	697.19
WREEVES	W. REEVES & ASSOCIATES INC.	SAFETY FLARES	01-250-000-52350	616.00
TOTAL				3,097.99
TOTAL FIRE DEPARTMENT				3,097.99
STORM SEWERS				
10750	PREMIER CONCRETE INC	50" HYDRAULIC PLUG	01-300-000-51150	58.00
TOTAL				58.00
TOTAL STORM SEWERS				58.00
ROADWAYS/STREETS				
04545	DOOR COUNTY COOPERATIVE/NAPA	GRASS SEED	01-400-000-52500	119.50
TOTAL				119.50
TOTAL ROADWAYS/STREETS				119.50
STREET SIGNS AND MARKINGS				
04696	DOOR COUNTY TREASURER	STEEL CHANNEL	01-420-000-52550	36.00
TOTAL				36.00
TOTAL STREET SIGNS AND MARKINGS				36.00
CURB/GUTTER/SIDEWALK				
12430	LINCOLN CONTRACTORS SUPPLY INC	CONCRETE SAW WHEEL	01-440-000-54999	177.69
12430		FREIGHT	01-440-000-54999	17.62
TOTAL				195.31
TOTAL CURB/GUTTER/SIDEWALK				195.31

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CITY OF STURGEON BAY
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INVOICES DUE ON/BEFORE 05/18/2021

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

GENERAL FUND				
STREET MACHINERY				
02960	C & W AUTO	WIRE HARNESS	01-450-000-53000	50.00
TOTAL				50.00
TOTAL STREET MACHINERY				50.00
HIGHWAYS - GENERAL				
POLLOCK	DALE POLLOCK	04/21 SAFTY BOOT REIMB/POLLOCK	01-499-000-56800	184.61
TOTAL				184.61
TOTAL HIGHWAYS - GENERAL				184.61
PARKS AND PLAYGROUNDS				
03025	CAPTAIN COMMDES INC	DOG PARK PORT A POTTI RENTAL	01-510-000-58999	90.00
07765	GRAINGER INC	LIMIT SWITCH	01-510-000-54999	33.93
08225	HERLACHE SMALL ENGINE	GASKET	01-510-000-51900	8.00
TOTAL				131.93
TOTAL PARKS AND PLAYGROUNDS				131.93
BALLFIELDS				
BALLFIELDS				
20900	TRUGREEN LIMITED PARTNERSHIP	LAWN SERVICE-JAYCEE FLD	01-520-000-58999	119.72
20900		LAWN SERVICE PBI FIELD	01-520-000-58999	73.15
20900		LAWN SERVICE ROTARY FIELD	01-520-000-58999	90.89
20900		LAWN SERVICE LIONS FIELD	01-520-000-58999	90.89
20900		LAWN SERVICE-KIWANIS FIELD	01-520-000-58999	90.89
20900		LAWN SERVICE WEST SIDE FIELD	01-520-000-58999	96.43
PIER	PIER & WATERWAY SOLUTIONS,LLC	ANNL DOCK INSTALLATION	01-520-000-58999	1,020.00
TOTAL BALLFIELDS				1,581.97
TOTAL BALLFIELDS				1,581.97
MUNICIPAL DOCKS				
PIER	PIER & WATERWAY SOLUTIONS,LLC	INSTALL DOCKS/PIER-SPRNG 2020	01-550-000-58999	1,800.00
TOTAL				1,800.00
TOTAL MUNICIPAL DOCKS				1,800.00
TOTAL GENERAL FUND				47,531.72
CAPITAL FUND				
CITY HALL				
EXPENSE				

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CITY OF STURGEON BAY
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 05/18/2021

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
CAPITAL FUND				
EXPENSE				
EXPENSE				
AAA ASBE	AAA ASBESTOS	MATERIAL	10-160-000-59143	249.83
AAA ASBE		COMPETENT PERSON LABOR	10-160-000-59143	1,632.00
TOTAL EXPENSE				1,881.83
TOTAL CITY HALL				1,881.83
GENERAL EXPENDITURES				
CEDARCO	CEDAR CORPORATION	MUSEUM ADA EXITING	10-199-000-51525	1,200.00
TOTAL				1,200.00
TOTAL GENERAL EXPENDITURES				1,200.00
PATROL				
PATROL				
SAFRAN	IDEMIA IDENTITY & SECURITY LLC	ELECTRONIC FINGERPRINT MACHINE	10-215-000-59070	6,925.00
TOTAL PATROL				6,925.00
TOTAL PATROL				6,925.00
CURB/GUTTER/SIDEWALK				
EXPENSE				
10750	PREMIER CONCRETE INC	CONCRETE MEMORIAL DRIVE	10-440-000-59102	468.50
10750		CONCRETE S 18TH PLACE	10-440-000-59102	877.50
TOTAL EXPENSE				1,346.00
TOTAL CURB/GUTTER/SIDEWALK				1,346.00
TOTAL CAPITAL FUND				11,352.83
TID #4 DISTRICT				
TID #4 DISTRICT				
TID #4 DISTRICT				
CEDARCO	CEDAR CORPORATION	FESTIVAL WATERFRONT	28-340-000-58999	16,648.07
PETERS	PETERS CONCRETE CO	WEST WATERFRONT PAY #5	28-340-000-59082	223,221.83
TOTAL TID #4 DISTRICT				239,869.90
TOTAL TID #4 DISTRICT				239,869.90
TOTAL TID #4 DISTRICT				239,869.90
SOLID WASTE ENTERPRISE				
SOLID WASTE ENTERPRISE FUND				
SOLID WASTE ENTERPRISE FUND				
ASTRO	ASTRO HYDRAULICS, INC	REBUILD/TEST HYDRAULC CYLNR	60-000-000-53000	959.68
GFLNVIR	GFL ENVIRONMENTAL, INC	CARDBOARD BIN RECYCLING	60-000-000-58350	157.46

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CITY OF STURGEON BAY
DEPARTMENT SUMMARY REPORT

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VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE

SOLID WASTE ENTERPRISE				
SOLID WASTE ENTERPRISE FUND				
SOLID WASTE ENTERPRISE FUND				
R0000655	TRANSMOTION, LLC	SHORT 4-4 SWIVEL	60-000-000-53000	20.39
TOTAL SOLID WASTE ENTERPRISE FUND				1,137.53
TOTAL SOLID WASTE ENTERPRISE FUND				1,137.53
TOTAL SOLID WASTE ENTERPRISE				1,137.53
COMPOST SITE ENTERPRISE FUND				
COMPOST SITE ENTERPRISE FUND				
COMPOST SITE ENTERPRISE FUND				
03025	CAPTAIN COMMODOES INC	COMPOST SITE PORT A POTTI RNTL	64-000-000-58999	90.00
TOTAL COMPOST SITE ENTERPRISE FUND				90.00
TOTAL COMPOST SITE ENTERPRISE FUND				90.00
TOTAL COMPOST SITE ENTERPRISE FUND				90.00
TOTAL ALL FUNDS				299,981.98

MANUAL CHECKS

DELTA DENTAL \$6,156.10
04/01/21
Check # 88477
04/21 Dental Insurance
Various Departmental Accounts

EFT GROUP INSURANCE \$135,778.20
04/01/21
Check # 88365
04/21 Health Insurance
Various Departmental Accounts

AT&T MOBILITY \$1,492.66
05/07/21
Check #88693
04/21 Police Department Cellphone Statement
01-215-000-58250

TOTAL MANUAL CHECKS \$ 143,426.96

DATE: 05/07/1921

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INVOICES DUE ON/BEFORE 05/18/2021

VENDOR #	NAME	ITEM DESCRIPTION	ACCOUNT #	AMOUNT DUE
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SUMMARY OF FUNDS:

GENERAL FUND

47,531.72

190,958.68

CAPITAL FUND

11,352.83

TID #4 DISTRICT

239,869.90

SOLID WASTE ENTERPRISE

1,137.53

COMPOST SITE ENTERPRISE FUND

90.00

TOTAL --- ALL FUNDS

299,981.98

443,408.94