Finance/Personnel Committee

335 South Broadway

De Pere, WI 54115
http://www.de-pere.org

Regular Meeting

Agenda

Tuesday, August 11, 2015 | **7:30 PM** | **De Pere City Hall Council Chambers**

Pursuant to Wisconsin Statutes 19.84, Notice is hereby given to the public that a meeting of the **Finance/Personnel Committee** of the City of De Pere will be held on **August 11, 2015** at **7:30 PM** in the **De Pere City Hall Council Chambers, 335 S. Broadway Street, De Pere, WI 54115.**

This meeting can be viewed LIVE at www.depere.tv. This meeting is also rebroadcast on TW Cable Channel 4 and AT&T U-verse Channel 99 throughout the week and available on demand at www.depere.tv.

Call to Order

1. Roll Call
2. Approval of the minutes of the July 14, 2015 regular meeting of the Finance/Personnel Committee.
3. Police Overtime Report for the Month of July 2015.
4. Fire Department Overtime Report for the month of July 2015.
5. Consideration of Agreement renewal with SimplexGrinnell for the door security system software. *
6. Consider Award of Project 15-14 City Sign*
7. Approve emergency funding to repair Riverwalk Bridge. *
8. Review of Preliminary 2014 Audit Results.*
9. Discussion Regarding Status of 2016 Budget Development.
10. Public Comment and announcements.
11. Future agenda items.
12. Adjournment

Notice is hereby given that a majority of the members of the Common Council of the City of De Pere may attend this meeting to gather information about a subject(s) over which they have decision-making responsibility.

Any person wishing to attend this meeting who, because of disability, requires special accommodations should contact the Clerk-Treasurer's office at 339-4050 by Noon, the previous day so that arrangements can be made.

Agenda Sent To:
Alderpersons
City Administrator
Mayor
Department Heads
TV, Newspapers & Radio Stations

Kress Family Library
De Pere Chamber of Commerce

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE:	**August 11, 2015**
DEPARTMENT:	**City Attorney**
FROM:	**Jeni Dupont**
SUBJECT:	**Approval of the minutes of the July 14, 2015 regular meeting of the Finance/Personnel Committee.**

ATTACHMENTS:

- July 14, 2015 DRAFT Minutes (PDF)

Finance/Personnel Committee

335 South Broadway
De Pere, WI 54115
http://www.de-pere.org

Regular Meeting

Draft Minutes

Tuesday, July 14, 2015 **7:30 PM** **De Pere City Hall Council Chambers**

Call to Order

Mayor Michael J. Walsh called the regular meeting of the Finance/Personnel Committee to order at 7:30 PM on July 14, 2015 at De Pere City Hall Council Chambers, 335 S. Broadway Street, De Pere, WI.

Attendee Name	Title	Status	Arrived
Scott Crevier	Alderperson	Present	
Michael Donovan	Alderperson	Present	
Larry Lueck	Alderperson	Present	
Lisa Rafferty	Alderperson	Present	
Michael J. Walsh	Mayor	Present	

Also present: City Administrator Lawrence Delo, City Attorney Judith Schmidt-Lehman, Police Chief Derek Beiderwieden, Fire Chief Dennis Rubin, Director of Planning & Economic Development Ken Pabich, Human Resources Director Shannon Metzler, Finance Director Joe Zegers and members of the public.

2. Approval of the minutes of the June 9, 2015 regular meeting of the Finance/Personnel Committee.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Scott Crevier, Alderperson
SECONDER:	Michael Donovan, Alderperson
AYES:	Crevier, Donovan, Lueck, Rafferty, Walsh

3. Police Overtime Report for June 2015

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael Donovan, Alderperson
SECONDER:	Scott Crevier, Alderperson
AYES:	Crevier, Donovan, Lueck, Rafferty, Walsh

4. Fire Department Overtime Report for the month of June 2015.

Discussion followed motion with Chief Rubin responding to questions regarding the increase in overtime for EMS training, duty crew, fire training and meetings. The Chief noted there has been seven significant incidents so far this year compared to three for all of 2014. EMS billings were also questioned. Write off were higher in April May and April charges were the highest they've been in 2 1/2 years. The committee asked for an explanation in time for the next meeting.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Larry Lueck, Alderperson
SECONDER:	Michael J. Walsh, Mayor
AYES:	Crevier, Donovan, Lueck, Rafferty, Walsh

Attachment: July 14, 2015 DRAFT Minutes (3772 : Approval of minutes)

5. Review request for option to purchase a portion of WD-1138-1 by Infinity Machine.*

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lisa Rafferty, Alderperson
SECONDER:	Scott Crevier, Alderperson
AYES:	Crevier, Donovan, Lueck, Rafferty, Walsh

6. Consideration of Agreement renewal with New Cell, LLC (Cellcom) for cellular services.*

Alderperson Lueck stated he will abstain from voting.

RESULT:	**ADOPTED [4 TO 0]**
MOVER:	Scott Crevier, Alderperson
SECONDER:	Lisa Rafferty, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
ABSTAIN:	Larry Lueck

7. Consideration of Public Display of Works of Art Ordinance.*

Discussion followed motion with Administrator Delo providing background information regarding the reason for the creation of the ordinance. A revision to the wording in E(3)A. and D(1) was requested.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Scott Crevier, Alderperson
AYES:	Crevier, Donovan, Lueck, Rafferty, Walsh

8. Consider changes to special event ordinance regarding waiver or reduction of fees.*

City Attorney Schmidt-Lehman provided information learned from researching how other municipalities handle waiver and fee reduction requests. The recommendation is to waive the special event permit fee and reduce the service fees by 50% for non-profit organizations. Following discussion, Alderperson Lueck moved, seconded by Alderperson Donovan to approve ordinance changes as recommended. Discussion followed motion regarding 501C definition/requirement. Upon discussion, Alderperson Crevier moved, seconded by Alderperson Lueck to amend the motion to remove "De Pere based" from the ordinance. Upon vote, motion was approved as amended.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Scott Crevier, Alderperson
SECONDER:	Larry Lueck, Alderperson
AYES:	Crevier, Donovan, Lueck, Rafferty, Walsh

9. Consider donation of three ice making machines to the Fire Department.*

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lisa Rafferty, Alderperson
SECONDER:	Scott Crevier, Alderperson
AYES:	Crevier, Donovan, Lueck, Rafferty, Walsh

10. Consider Proposal for the Fire Station 2 Renovation.*

Discussion followed motion regarding the renovation. Chief Rubin explained the remodel pertains to any part of building where the fire trucks do not park; living quarters, office area, etc.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Larry Lueck, Alderperson
SECONDER:	Scott Crevier, Alderperson
AYES:	Crevier, Donovan, Lueck, Rafferty, Walsh

11. Consideration of the De Pere Fire Department to enter into a service contract with North Greenville Fitness and Cardiac Rehabilitation Clinic, Inc. to perform firefighter medical physicals.*

Discussion followed motion with Chief Rubin responding to committee member questions. A cost comparison with local providers was asked to be provided for the July 21, 2015 council meeting.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Lisa Rafferty, Alderperson
AYES:	Crevier, Donovan, Lueck, Rafferty, Walsh

12. Discussion Regarding Status of 2016 Budget Development.

Administrator Delo noted this item will be on the agenda on a monthly basis in order to discuss questions or concerns. Item was for discussion purposes only; no action was taken.

RESULT:	**DISCUSSED**

13. Public Comment and announcements.

None.

14. Future agenda items.

None.

15. Discuss Collective Bargaining Strategies for Police and Fire Union Contract Renewals.

Alderperson Donovan moved, seconded by Alderperson Crevier to convene in closed session at 8:27 PM. Upon roll call vote, motion carried unanimously.

Alderperson Donovan moved, seconded by Mayor Walsh to reconvene in open session at 8:54 PM. Upon roll call vote, motion carried unanimously.

16. Adjournment.

Upon motion by Mayor Walsh, seconded by Alderperson Rafferty, the Finance/Personnel Committee unanimously adjourned at 8:55 PM.

Respectfully submitted,
Jennifer Dupont

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE:	**August 11, 2015**
DEPARTMENT:	**Police**
FROM:	**Derek Beiderwieden**
SUBJECT:	**Police Overtime Report for the Month of July 2015.**

The Holiday time is due to the July 4th weekend.

Miscellaneous overtime of 9.75 Total hours is comprised of 6.75 hours patrol 1.5 fraction allotments and 3 hours for SWAT callout.

The Reimbursed Miscellaneous of 33.25 total hours is comprised of 9.75 Drug Task Force investigation hours and 23.5 OWI Task Force hours.

The department has expended approximately 38% of the budgeted overtime amount.

Please let me know if you have any questions.

ATTACHMENTS:

- 2013 PD OT Report Summary (PDF)
- 2014 PD OT Report Summary (PDF)
- July 2015 PD OT Report (PDF)

DE PERE POLICE DEPARTMENT
OVERTIME BY REASON
2013

REASON	JAN*	FEB**	MAR***	APR+	MAY++	JUN ^	JUL #	AUG ##	SEPT^^	OCT^^^	NOV*+	DEC*+*	TOTAL
OFFICER SICK RELIEF	102.00	75.00	69.75	106.50	178.00	26.25	90.00	25.50	77.25	53.25	22.50	65.25	891.25
OFFICER WORKED ON HOLIDAY	178.00	12.00	34.25	13.50	10.50	65.00	65.00	4.00	118.50	12.00	4.00	244.00	760.75
OFFICER FOR COURT	15.00	15.00	21.00	3.00	15.00	12.00	28.50	10.50	45.50	18.00	12.00	18.00	213.50
OFFICER TRAINING	10.00	62.50	36.00	75.75	221.00	63.25	111.50	3.00	77.50	175.25	156.75	14.75	1007.25
OFFICER RELIEF FOR FUNERAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			27.75		27.75
OFFICER ATTEND MEETING	1.50	6.25	0.00	0.00	0.00	7.50	16.50	3.00	15.00	22.50	15.00	14.00	101.25
STAFFING LEVEL	166.50	57.75	157.50	118.50	210.00	186.00	400.75	375.25	215.75	136.50	106.50	195.75	2326.75
INVESTIGATION	50.25	54.00	51.75	27.75	123.50	59.75	87.00	51.75	105.25	41.75	54.25	58.00	765.00
HONOR GUARD FOR FUNERAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
SCHOOL LIAISON REIMBURSED	26.25	74.25	40.50	22.50	47.00	25.50	0.00	18.75	58.50	48.00	18.00	33.00	412.25
COMMUNITY RELATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
SPECIAL ASSIGNMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
SPECIAL ASSIGNMENT REIMBURSED	0.00	15.25	0.00	10.50	9.00	299.75	6.00	20.25	15.75	11.50		69.50	457.50
MISCELLANEOUS	41.25	23.00	87.00	21.75	16.00	29.25	31.75	39.75	30.75	25.50	25.25	36.75	408.00
MISCELLANEOUS REIMBURSED	156.00	98.25	113.25	117.25	183.75	168.00	68.25	67.50	55.50	94.50	72.75	105.75	1300.75
Gross OFFICER OVERTIME	746.75	493.25	611.00	517.00	1013.75	942.25	905.25	619.25	815.25	638.75	514.75	854.75	8672.00
SUBTOTAL REIMBURSED OVERTIME	(182.25)	(187.75)	(153.75)	(150.25)	(239.75)	(493.25)	(74.25)	(106.50)	(129.75)	(154.00)	(90.75)	(208.25)	(2170.50)
NET OFFICER OVERTIME	564.50	305.50	457.25	366.75	774.00	449.00	831.00	512.75	685.50	484.75	424.00	646.50	6501.50
Community Service Officer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total Overtime Budget:	**$130,000.00**
Expenditures through 09/27/2013	**$167,529.00**
Percent of Total Budget:	**128.87%**

NOTES:

* Period 12/22/2012 - 02/01/2013
**Period 2/2/2013 - 3/1/2013
***Period 3/2/2013 - 3/29/2013
+Period 3/30/2013 - 4/26/2013
++Period 4/27/2013 - 5/24/2013
^Period 5/25/2013 - 6/21/2013
#Period 6/22/2013 - 8/2/2013
##Period 8/3/2013 - 8/30/2013
^^Period 8/31/2013 - 9/27/2013
^^^Period 9/28/2013 - 10/25/2013
*+Period 10/26/2013 - 11/22/2013
*+*Period 11/23/2013 - 1/3/2014

DE PERE POLICE DEPARTMENT
OVERTIME BY REASON
2014

REASON	JAN*	FEB**	MAR***	APR+	MAY++	JUN ^	JUL #	AUG ##	SEPT^^	OCT^^^	NOV*+	DEC*+*	TOTAL
OFFICER SICK RELIEF	35.25	82.50	83.25	53.25	62.25	52.50	63.75	54.75	62.25	159.00	39.75	51.75	800.25
OFFICER WORKED ON HOLIDAY	4.00	4.00	8.00	41.25	18.50	54.25	60.50	16.00	116.00	22.00	8.00	227.00	579.50
OFFICER FOR COURT	36.00	12.00	15.00	9.00	18.50	21.00	27.00	18.75	3.00	9.00	14.25	6.00	189.50
OFFICER TRAINING		13.00	32.25	90.50	19.75	59.75	42.25	12.50	59.00	64.75	141.50	29.50	564.75
OFFICER RELIEF FOR FUNERAL							29.25		16.50		30.00		75.75
OFFICER ATTEND MEETING	40.50		6.00	9.75	11.25			17.25		2.25	38.75		125.75
STAFFING LEVEL	27.75	16.50	35.50	51.75	142.00	221.25	341.50	199.50	208.50	211.50	255.50	319.00	2030.25
INVESTIGATION	34.75	22.25	8.25	37.50	64.75	18.75	85.25	56.00	53.25	22.75	34.25	87.75	525.50
HONOR GUARD FOR FUNERAL													0.00
SCHOOL LIAISON REIMBURSED	24.00	49.50	21.75	34.50	24.75	32.25		18.75	48.00	79.50	22.50	27.75	383.25
COMMUNITY RELATIONS									3.00	8.25			11.25
SPECIAL ASSIGNMENT													0.00
SPECIAL ASSIGNMENT REIMBURSED		15.00			34.00	255.25	6.75		36.75	9.00		55.50	412.25
MISCELLANEOUS	14.00	25.25	28.50	5.50	26.50	62.75	25.75	17.25	26.25	34.50	17.75	31.75	315.75
MISCELLANEOUS REIMBURSED	107.25	102.00	119.25	107.00	93.00	141.75	203.25	96.00	110.25	97.50	66.75	104.25	1348.25
Gross OFFICER OVERTIME	323.50	342.00	357.75	440.00	515.25	919.50	885.25	506.75	742.75	720.00	669.00	940.25	7362.00
SUBTOTAL REIMBURSED OVERTIME	(131.25)	(166.50)	(141.00)	(141.50)	(151.75)	(429.25)	(210.00)	(114.75)	(195.00)	(186.00)	(89.25)	(187.50)	(2143.75)
NET OFFICER OVERTIME	192.25	175.50	216.75	298.50	363.50	490.25	675.25	392.00	547.75	534.00	579.75	752.75	5218.25
SECRETARY OVERTIME													0.00
Community Service Officer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total Overtime Budget: **$133,357.00**
Expenditures through 1/02/2015 **$145,016.00**
Percent of Total Budget: **108.74%**

NOTES:

* Period 1/4/2014 - 1/31/2014
eriod 2/1/2014 - 2/28/2014
Period 03/01/2014 - 03/28/2014
+Period 3/29/2014 - 4/25/2014
++Period 4/26/2014 - 5/23/2014
^Period 5/24/2014 - 6/20/2014
#Period 6/21/2014 - 08/01/2014
##Period 8/2/2014 - 8/29/2014
^^Period 8/30/2014 - 9/26/2014
^^^Period 9/27/2014 - 10/24/2014
*+Period 10/25/2014 - 11/21/2014
*+*Period 11/22/2014 - 1/2/2015 (6 weeks)

DE PERE POLICE DEPARTMENT
OVERTIME BY REASON
2015

REASON	JAN*	FEB**	MAR***	APR+	MAY++	JUN ^	JUL #	AUG ##	SEPT^^	OCT^^^	NOV*+	DEC*+*	TOTAL
OFFICER SICK RELIEF	32.00	77.50	59.50	59.50	54.50	23.50	23.00						329.50
OFFICER WORKED ON HOLIDAY	8.00	18.00	4.00	26.00	12.00	97.50	63.00						228.50
OFFICER FOR COURT	14.00	22.00	18.50	8.00	6.00	16.00	12.00						96.50
OFFICER TRAINING	19.00	144.50	132.50	73.75	78.00	54.50	17.00						519.25
OFFICER RELIEF FOR FUNERAL			7.50										7.50
OFFICER ATTEND MEETING	12.00		12.00	7.50	0.50	16.00	4.00						52.00
STAFFING LEVEL	45.00	47.50	49.50	67.00	103.00	105.00	112.00						529.00
INVESTIGATION	20.25	78.00	43.25	34.50	35.00	48.00	49.00						308.00
HONOR GUARD FOR FUNERAL				22.00	8.00	2.00							32.00
SCHOOL LIAISON REIMBURSED	17.00	35.00	19.00	21.50	8.50	21.50							122.50
COMMUNITY RELATIONS	1.00		2.00										3.00
SPECIAL ASSIGNMENT													0.00
SPECIAL ASSIGNMENT REIMBURSED		10.00		10.50	26.00	178.00	6.00						230.50
MISCELLANEOUS	6.00	14.25	7.75	8.75	35.00	18.50	9.75						100.00
MISCELLANEOUS REIMBURSED	59.50	33.50	24.00	39.00	20.50	28.50	33.25						238.25
Gross OFFICER OVERTIME	233.75	480.25	379.50	378.00	387.00	609.00	329.00	0.00	0.00	0.00	0.00	0.00	2796.50
SUBTOTAL REIMBURSED OVERTIME	(76.50)	(78.50)	(43.00)	(71.00)	(55.00)	(228.00)	(39.25)	0.00	0.00	0.00	0.00	0.00	(591.25)
NET OFFICER OVERTIME	157.25	401.75	336.50	307.00	332.00	381.00	289.75	0.00	0.00	0.00	0.00	0.00	2205.25
SECRETARY OVERTIME													0.00
Community Service Officer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total Overtime Budget: **$150,000.00**
Est. Expenditures through 07/31/2015 **$56,597.17**
Percent of Total Budget: **37.73%**

NOTES:

* Period 1/3/2015 - 1/30/2015
**Period 1/31/2015 - 2/27/2015
***Period 2/28/2015 - 3/27/2015
+Period 3/28/2015 - 4/24/2015
++Period 4/25/2015 - 5/22/2015
^Period 5/23/2015 - 7/03/2015
#Period 7/4/2015 - 7/31/2015
##Period
^^Period
^^^Period
*+Period
*+*Period

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE:	**August 11, 2015**
DEPARTMENT:	**Fire Department**
FROM:	**Dennis Rubin**
SUBJECT:	**Fire Department Overtime Report for the month of July 2015.**

ATTACHMENTS:

- JULY FIRE DEPT OT REPORT (PDF)

DE PERE FIRE RESCUE

OVERTIME BREAKDOWN BY REASON

FOR THE YEAR OF 2014

REASON	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	TOTA
DUTY CREW	73.5	147	98.75	48	112.5	85.25	59.75	39	83	56.25	143	48	994
EMS TRAINING	70.5	83	81	53.5	35.5	3	12	18.5	12	168.25	76.5	67.5	681.2
FIRE TRAINING	11	5.5	6	48.75	0	8	2.25	0	0	35.25	46	216.75	379.
RESCUE CALLS	15.5	17	3.5	8.5	15.5	0	11.25	1	5.25	16	22.5	5.5	121.
FIRE CALLS	0	0	0	0	0	0	5.25	0	0	39.75	19	0	64
MEETINGS	15	16.5	18	26.25	21	11.25	15	20.25	18.5	21.25	27.25	36.75	247
STAFFING REP.	0	41.25	3	0	6.75	51	288	45.75	17	40.5	219.75	108	821
MAINTENANCE	0	3.5	0	0	31	23	0	24	29.5	0	0	0	111
PUB. ED.	0	0	5.25	0	0	3	0	0	18.75	12.75	71.75	12	123.
SPECIAL EVENTS	0	20	0	21	36	119.5	0	21	7.5	0	0	0	225
# FIRE RUNS	30	31	22	25	30	25	27	27	27	41	27	167	479
# of EMS RUNS	147	145	136	139	160	174	142	161	154	164	144	30	169
DISPATCH ERRORS	6	1	3	3	9	1	4	1	5	0	1	2	36
TOTAL HRS.	185.5	333.75	215.5	206	258.25	304	393.5	169.5	191.5	390	625.75	661.5	3767.

OVERTIME BREAKDOWN BY REASON

FOR THE YEAR OF 2015

REASON	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	TOT.
DUTY CREW	120	87	165	154.25	177	112.25	110.25						925.
EMS TRAINING	63	301.5	91	89.5	59	12	4.75						620.
FIRE TRAINING	0	6.75	30.75	0	16.5	147.75	57						258.
RESCUE CALLS	11.5	8.5	23.25	7	14.25	11	13.75						89.2
FIRE CALLS	0	0	3.75	0.75	0	0	0.75						5.2
MEETINGS	141.5	132.75	65.5	90.5	56	56.5	147						689.
STAFFING REP.	216	43.5	65.25	36	105.5	72.5	118.25						65
MAINTENANCE	4.5	1	5.25	3	16.5	0	0						30.2
PUB. ED.	0	19.25	37.5	14	24.5	38.25	14.25						147.
SPECIAL EVENTS	0	0	0	0	0	168.5	101						269
# FIRE RUNS	28	25	14	28	22	32	37						18
# of EMS RUNS	170	156	184	165	173	197	138						118
DISPATCH ERRORS	4	0	5	5	6	7	5						32
TOTAL HRS.	556.5	600.25	487.25	593	670.25	854.75	567	0	0	0	0	0	369

Special Events included in Overtime

Total Overtime Budget $80,000 Expenditures through July 17 $58,368 73%

Incident Type Report (Summary)
From 01/01/15 To 07/31/15
Report Printed On: 08/04/2015

Incident Type	Count	% of Incidents	Est. Property Loss	Est. Content Loss	Total Est. Loss	% of Losses
1 Fire						
Fire, other (100)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Building fire (111)	11	0.78%	$231,500.00	$312,000.00	$543,500.00	88.76%
Fires in structure other than in a building (112)	1	0.07%	$2,000.00	$10,000.00	$12,000.00	1.96%
Cooking fire, confined to container (113)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Chimney or flue fire, confined to chimney or flue (114)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Road freight or transport vehicle fire (132)	1	0.07%	$5,000.00	$0.00	$5,000.00	0.82%
Natural vegetation fire, other (140)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Forest, woods or wildland fire (141)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Brush or brush-and-grass mixture fire (142)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Outside rubbish fire, other (150)	2	0.14%	$0.00	$200.00	$200.00	0.03%
Outside rubbish, trash or waste fire (151)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Special outside fire, other (160)	2	0.14%	$100.00	$30.00	$130.00	0.02%
Outside storage fire (161)	1	0.07%	$0.00	$0.00	$0.00	0.00%
	29	**2.04%**	**$238,600.00**	**$322,230.00**	**$560,830.00**	**91.59%**
2 Overpressure Rupture, Explosion, Overheat(no fire)						
Overpressure rupture, explosion, overheat other (200)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Excessive heat, scorch burns with no ignition (251)	2	0.14%	$0.00	$0.00	$0.00	0.00%
	3	**0.21%**	**$0.00**	**$0.00**	**$0.00**	**0.00%**
3 Rescue & Emergency Medical Service Incident						
Rescue, EMS incident, other (300)	5	0.36%	$0.00	$0.00	$0.00	0.00%
Medical assist, assist EMS crew (311)	3	0.21%	$0.00	$0.00	$0.00	0.00%
Emergency medical service, other (320)	20	1.43%	$0.00	$0.00	$0.00	0.00%
EMS call, excluding vehicle accident with injury (321)	1057	75.39%	$0.00	$0.00	$0.00	0.00%
Motor vehicle accident with injuries (322)	42	3.00%	$0.00	$0.00	$0.00	0.00%
Motor vehicle accident with no injuries. (324)	8	0.57%	$0.00	$0.00	$0.00	0.00%
Extrication of victim(s) from vehicle (352)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Water & ice-related rescue, other (360)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Swimming/recreational water areas rescue (361)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Watercraft rescue (365)	1	0.07%	$0.00	$0.00	$0.00	0.00%
	1139	**81.24%**	**$0.00**	**$0.00**	**$0.00**	**0.00%**
4 Hazardous Condition (No Fire)						
Hazardous condition, other (400)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Gasoline or other flammable liquid spill (411)	3	0.21%	$0.00	$0.00	$0.00	0.00%
Gas leak (natural gas or LPG) (412)	5	0.36%	$0.00	$0.00	$0.00	0.00%
Toxic condition, other (420)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Carbon monoxide incident (424)	7	0.50%	$0.00	$0.00	$0.00	0.00%
Electrical wiring/equipment problem, other (440)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Overheated motor (442)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Power line down (444)	3	0.21%	$0.00	$0.00	$0.00	0.00%
	24	**1.70%**	**$0.00**	**$0.00**	**$0.00**	**0.00%**
5 Service Call						
Service Call, other (500)	5	0.36%	$1,500.00	$10,000.00	$11,500.00	1.88%
Person in distress, other (510)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Lock-out (511)	5	0.36%	$0.00	$0.00	$0.00	0.00%
Water problem, other (520)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Water or steam leak (522)	1	0.07%	$0.00	$40,000.00	$40,000.00	6.53%
Smoke or odor removal (531)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Animal rescue (542)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Public service assistance, other (550)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Assist police or other governmental agency (551)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Assist invalid (554)	46	3.28%	$0.00	$0.00	$0.00	0.00%
Unauthorized burning (561)	1	0.07%	$0.00	$0.00	$0.00	0.00%
	66	**4.70%**	**$1,500.00**	**$50,000.00**	**$51,500.00**	**8.41%**
6 Good Intent Call						
Good intent call, other (600)	3	0.21%	$0.00	$0.00	$0.00	0.00%
Dispatched and cancelled en route (611)	34	2.43%	$0.00	$0.00	$0.00	0.00%
Wrong location (621)	32	2.28%	$0.00	$0.00	$0.00	0.00%
No incident found on arrival at dispatch address (622)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Authorized controlled burning (631)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Smoke scare, odor of smoke (651)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Smoke from barbecue, tar kettle (653)	1	0.07%	$0.00	$0.00	$0.00	0.00%
HazMat release investigation w/no HazMat (671)	1	0.07%	$0.00	$0.00	$0.00	0.00%
	74	**5.27%**	**$0.00**	**$0.00**	**$0.00**	**0.00%**
7 False Alarm & False Call						
False alarm or false call, other (700)	9	0.64%	$0.00	$0.00	$0.00	0.00%
Municipal alarm system, malicious false alarm (711)	1	0.07%	$0.00	$0.00	$0.00	0.00%
System malfunction, other (730)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Sprinkler activation due to malfunction (731)	1	0.07%	$0.00	$0.00	$0.00	0.00%
Smoke detector activation due to malfunction (733)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Alarm system sounded due to malfunction (735)	8	0.57%	$0.00	$0.00	$0.00	0.00%
CO detector activation due to malfunction (736)	13	0.93%	$0.00	$0.00	$0.00	0.00%

Unintentional transmission of alarm, other (740)	5	0.36%	$0.00	$0.00	$0.00	0.00%
Sprinkler activation, no fire - unintentional (741)	3	0.21%	$0.00	$0.00	$0.00	0.00%
Smoke detector activation, no fire - unintentional (743)	2	0.14%	$0.00	$0.00	$0.00	0.00%
Detector activation, no fire - unintentional (744)	6	0.43%	$0.00	$0.00	$0.00	0.00%
Alarm system activation, no fire - unintentional (745)	14	1.00%	$0.00	$0.00	$0.00	0.00%
Carbon monoxide detector activation, no CO (746)	2	0.14%	$0.00	$0.00	$0.00	0.00%
	67	**4.77%**	**$0.00**	**$0.00**	**$0.00**	**0.00%**
Total Incident Count:	**1402**			**Total Est. Loss:**	**$612,330.00**	

DE PERE FIRE RESCUE
MUTUAL AID REPORT
JULY, 2015

MUTUAL AID GIVEN

RUN #	AGENCY	TYPE OF CALL
1253	ASHWAUBENON	EMS
1275	GREEN BAY	EMS
1276	COUNTY RESCUE	EMS
1319	GREEN BAY	EMS
1335	LAWRENCE	FIRE
1363	COUNTY RESCUE	EMS
1396	GREEN BAY	FIRE
1403	ASHWAUBENON	EMS

MUTUAL AID RECEIVED

RUN #	AGENCY	TYPE OF CALL
1258	ASHWAUBENON	FIRE
1258	GREEN BAY	FIRE
1258	LAWRENCE	FIRE
1263	GREEN BAY	EMS
1264	COUNTY RESCUE	EMS
1268	ASHWAUBENON	EMS
1268	BELLEVUE	EMS
1268	COUNTY RESCUE	EMS
1268	GREEN BAY	EMS
1268	LEDGEVIEW	EMS
1269	GREEN BAY	FIRE
1301	LAWRENCE	FIRE
1327	ASHWAUBENON	EMS
1358	GREEN BAY	EMS

JULY, 2015

*OVERTIME CAUSED BY SICK LEAVE

DATE	HOURS OF SICK LEAVE	OVERTIME PAID
6/6/15	12	18
TOTAL	12	18

*Overtime generated when staffing levels fall below minimum as a result of sick leave.

EMS BILLING MONTHLY BILLING FIGURES

	JAN. '15	FEB. '15	MAR. '15	APR. '15	MAY '15	JUNE '15
CHARGES	105,520	49,779	54,831	218,747	115,506	92,784
PAYMENTS	66,188	54,929	51,556	41,264	79,674	75,580
ADJUSTMENTS	40,252	20,631	26,791	72,784	45,705	39,287
WRITE OFFS	15	226	10	11,364	10,698	8,639

	JULY '15	AUG. '15	SEPT. '15	OCT. '15	NOV. '15	DEC. '15
CHARGES						
PAYMENTS						
ADJUSTMENTS						
WRITE OFFS						

Payments to EMS	
Jan. 2015	4,786
Feb. 2015	4,054
March 2015	3,863
April 2015	3,013
May 2015	6,411
June 2015	5,940
July 2015	
Aug. 2015	
Sept. 2015	
Oct. 2015	
Nov. 2015	
Dec. 2015	
Total Paid	$28,068

Attachment: JULY FIRE DEPT OT REPORT (3780 : Fire Dept July OT Report)

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE:	**August 11, 2015**
DEPARTMENT:	**Finance/Personnel Committee**
FROM:	**Steve Massey**
SUBJECT:	**Consideration of Agreement renewal with SimplexGrinnell for the door security system software. ***

The existing CCure 9000 Software Service Agreement (SSA) with SimplexGrinnell expired on 5/31/2014. SimplexGrinnell supplies the CCure 9000 software that controls the City of De Pere door security system at the City Hall Complex, Community Center and Municipal Service Center. Without an active SSA the city will be unable to obtain technical support if an issue occurs. This is currently preventing the migration of the CCure 9000 software from the existing 7 year old server hardware to the virtual server infrastructure. This could result in extended downtime and potential door access issues.

Proposed Agreement Benefits

- Technical support
  - Without an active SSA the software can't be updated to the latest version preventing SimplexGrinnell technicians from obtaining technical support
  - Without an active SSA the software license can't be moved to any other hardware platform
- Entitlement to future software revisions that may contain security fixes and new features

Proposed Agreement Options

- 2 year SSA billed annually $1735/year
  - Price is locked in for 2 years by entering a 2 year agreement
  - Savings of $250 over the 1 year SSA
  - Reinstatement fee waived when entering a multiple year SSA
- 1 year SSA billed annually $1860/year
  - Price is locked in for 1 year - There is no guarantee the price will not increase in the following year
  - 1 year SSA would cost $250 more than the 2 year SSA over a 2 year term
  - Reinstatement fee of $125

The door security system impacts nearly all City employees on a daily basis. It is staff's recommendation to enter into the 2 year SSA to ensure the integrity of the City's door security system.

ATTACHMENTS:

- De Pere City Hall 1 year CCure proposal (PDF)
- De Pere City Hall 2 year CCure proposal (PDF)

tyco SimplexGrinnell

Service Solution

Customer:
De Pere City Hall
Date: 03-AUG-15
Proposal #:435794
Term:01-AUG-15 to 31-JUL-16

Billing Customer:
De Pere City Hall
335 S Broadway
DE PERE, WI 54115-2526

Service Location:
De Pere City Hall
335 S Broadway
DE PERE, WI 54115-2526

SimplexGrinnell
Sales Representative:
MICHAEL L PRICE
1941 Holmgren Way
GREEN BAY, WI 54304-4514
MichPrice@simplexgrinnell.com

INVESTMENT SUMMARY

(*Excludes applicable Sales Tax* ▪ *Service Solution Valid for 45 Days*)

SERVICE/PRODUCT DESCRIPTION	QUANTITY	FREQUENCY	INVESTMENT

Recurring Annual Investment

Software House Software Support
C CURE SYSTEM

Software House Software Support Total: $1,860.00

Total Recurring Annual Investment: $1,860.00

tyco SimplexGrinnell

Service Solution

SUMMARY OF SERVICES

Access Control Software Services Agreement (SSA)

A customized software support agreement for your access control system. This includes software and firmware updates.

tyco SimplexGrinnell

Service Solution

SPECIAL PROVISIONS

Access Control Software Services Agreement (SSA)

CUSTOMER PORTAL
Please note that customers that have a service agreement in place qualify for our "free" customer portal access. Customer portal is a web-based tool that provides our customers with an easy and secure access to their information. From the portal you will be able to access information such as:
- The ability to update your contact information
- Access to copies of invoices (both current and from the past) with ability to print.
- Access to view status and details of current and closed service requests.
- Access to service history and details of repairs with ability to print service acknowledgements.
- Ability to create a service request on-line 24 hours a day, 7 days a week, 365 days a year. Once requested our SRC will contact you with an estimated time of arrival.
- Ability to set up permission to authorize other users within your organization to use the portal.Wisconsin Agreement Extension Notice

- Online access to inspection reports done with our EIR . (Electronic Inspection Reporting) System.

Service Solution

This Service Solution (the "Agreement") sets forth the Terms and Conditions for the provision of equipment and services to be provided by SimplexGrinnell LP ("Company") to **De Pere City Hall** and is effective **01-AUG-15** to **31-JUL-16** (the "Initial Term")**.**

PAYMENT TERM: *Annual In Advance*

PAYMENT AMOUNT: $1,860.00 - **Proposal # :** 435794

CUSTOMER ACCEPTANCE: In accepting this Agreement, Customer agrees to the Terms and Conditions on the following pages and any attachments or riders attached hereto that contain additional terms and conditions. It is understood that these terms and conditions shall prevail over any variation in terms and conditions on any purchase order or other document that the Customer may issue. Any changes in the system requested by the Customer after the execution of Agreement shall be paid for by the Customer and such changes shall be authorized in writing.

ATTENTION IS DIRECTED TO THE LIMITATION OF LIABILITY, WARRANTY, INDEMNITY AND OTHER CONDITIONS CONTAINED IN THIS AGREEMENT.

De Pere City Hall		**SimplexGrinnell**	
Signature:	______________	MICHAEL L PRICE	
Print Name:	______________	Phone #:	______________
Title:	______________	Fax #:	______________
Phone#:	______________	License #: (If Applicable)	______________
Fax #:	______________	Authorized Signature:	______________
Email:	______________	Print Name:	______________
PO#:	______________	Title:	______________
Date:	______________	Date:	______________

TERMS AND CONDITIONS

1. Term. The Initial Term of this Agreement shall commence on the date of this Agreement and continue for the period indicated in this Agreement. At the conclusion of the Initial Term, this Agreement shall automatically extend for successive terms equal to the Initial Term, each and together a "Term" of this Agreement, unless either party gives written notice to the other party at least thirty (30) days prior to the end of the then-current term.

2. Payment. Payments shall be invoiced and due in accordance with the terms and conditions set forth in this Agreement. Work performed on a time and material basis shall be at the then-prevailing Company rate for material, labor, and related items, in effect at the time supplied under this Agreement.

3. Pricing. The pricing set forth in this Agreement is based on the number of devices and services to be performed as set forth in this Agreement. If the actual number of devices installed or services to be performed is greater than that set forth in this Agreement, the price will be increased accordingly. Company may increase prices upon notice to the Customer or annually to reflect increases in material and labor costs. Customer agrees to pay all taxes, permits, and other charges, including but not limited to state and local sales and excise taxes, installation or alarm permits, false alarm assessments, or any charges imposed by any government body, however designated, levied or based on the service charges pursuant to this Agreement. The Customer's failure to make payment when due is a material breach of this Agreement.

4. Code Compliance. Company does not undertake an obligation to inspect for compliance with laws or regulations unless specifically stated in this Agreement. Customer acknowledges that the Authority Having Jurisdiction (e.g. Fire Marshal) may establish additional requirements for compliance with local codes. Any additional services or equipment required will be provided at an additional cost to Customer.

5. Limitation of Liability; Limitations of Remedy. Customer understands that Company offers several levels of protection services and that the level described has been chosen by Customer after considering and balancing various levels of protection afforded and their related costs. **It is understood and agreed by the Customer that Company is not an insurer and that insurance coverage, if any, shall be obtained by the Customer and that amounts payable to Company hereunder are based upon the value of the services and the scope of liability set forth in this Agreement and are unrelated to the value of the Customer's property and the property of others located on the premises. Customer agrees to look exclusively to the Customer's insurer to recover for injuries or damage in the event of any loss or injury and that Customer releases and waives all right of recovery against Company arising by way of subrogation. Company makes no guaranty or Warranty, including any implied warranty of merchantability or fitness for a particular purpose that equipment or services supplied by Company will detect or avert occurrences or the consequences therefrom that the equipment or service was designed to detect or avert. It is impractical and extremely difficult to fix the actual damages, if any, which may proximately result from failure on the part of Company to perform any of its obligations under this Agreement. Accordingly, Customer agrees that, Company shall be exempt from liability for any loss, damage or injury arising directly or indirectly from occurrences, or the consequences therefrom, which the equipment or service was designed to detect or avert. Should Company be found liable for any loss, damage or injury arising from a failure of the equipment or service in any respect, Company's liability for Services performed on site at Customer's premises shall be limited to an amount equal to the Agreement price (as increased by the price for any additional work) or, where the time and material payment term is selected, Customer's time and material payments to Company. Where this Agreement covers multiple sites, liability shall be limited to the amount of the payments allocable to the site where the incident occurred. Company's liability with respect to Monitoring Services is set forth in Section 17 of this Agreement. Such sum shall be complete and exclusive. If Customer desires Company to assume greater liability, the parties shall amend this Agreement by attaching a rider setting forth the amount of additional liability and the additional amount payable by the Customer for the assumption by Company of such greater liability, provided however that such rider shall in no way be interpreted to hold Company as an insurer. IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY DAMAGE, LOSS, INJURY, OR ANY OTHER CLAIM ARISING FROM ANY SERVICING, ALTERATIONS, MODIFICATIONS, CHANGES, OR MOVEMENTS OF THE COVERED SYSTEM(S), AS HEREINAFTER DEFINED, OR ANY OF ITS COMPONENT PARTS BY THE CUSTOMER OR ANY THIRD PARTY. COMPANY SHALL NOT BE LIABLE FOR INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO DAMAGES ARISING FROM THE USE, LOSS OF THE USE, PERFORMANCE, OR FAILURE OF THE COVERED SYSTEM(S) TO PERFORM. The limitations of liability set forth in this Agreement shall inure to the benefit of all parents, subsidiaries and affiliates of Company, whether direct or indirect, Company's employees, agents, officers and directors.**

6. Reciprocal Waiver of Claims (SAFETY Act). Certain of Company's systems and services have received Certification and/or Designation as Qualified Anti-Terrorism Technologies ("QATT") under the Support Anti-terrorism by Fostering Effective Technologies Act of 2002, 6 U.S.C. §§ 441-444 (the "SAFETY Act"). As required under 6 C.F.R. 25.5 (e), to the maximum extent permitted by law, Company and Customer hereby agree to waive their right to make any claims against the other for any losses, including business interruption losses, sustained by either party or their respective employees, resulting from an activity resulting from an "Act of Terrorism" as defined in 6 C.F.R. 25.2, when QATT have been deployed in defense against, response to, or recovery from such Act of Terrorism.

7. Indemnity. Customer agrees to indemnify, hold harmless and defend Company against any and all losses, damages, costs, including expert fees and costs, and expenses including reasonable defense costs, arising from any and all third party claims for personal injury, death, property damage or economic loss, arising in any way from any act or omission of Customer or Company relating in any way to this Agreement, including but not limited to the Services under this Agreement, whether such claims are based upon contract, warranty, tort (including but not limited to active or passive negligence), strict liability or otherwise. Company reserves the right to select counsel to represent it in any such action. Customer's responsibility with respect to indemnification and defense of Company with respect to Monitoring Services is set forth in Section 17 of this Agreement.

8. General Provisions. Customer has selected the service level desired after considering and balancing various levels of protection afforded, and their related costs. Customer acknowledges and agrees that by this Agreement, Company, unless specifically stated, does not undertake any obligation to maintain or render Customer's system or equipment as Year 2000 compliant, which shall mean, capable of correctly handling the processing of calendar dates before or after December 31, 1999. All work to be performed by Company will be performed during normal working hours of normal working days (8:00 a.m. - 5:00 p.m.), Monday through Friday, excluding Company holidays), as defined by Company, unless additional times are specifically described in this Agreement. All work performed unscheduled unless otherwise specified in this Agreement. Appointments scheduled for four-hour window. Additional charges may apply for special scheduling requests, e.g. working around equipment shutdowns, after hours work.

Company will perform the services described in the Service Solution ("Services ") for one or more system(s) or equipment as described in the Service Solution or the listed attachments ("Covered System(s)"). UNLESS OTHERWISE SPECIFIED IN THIS AGREEMENT, ANY INSPECTION (AND, IF SPECIFIED, TESTING) PROVIDED UNDER THIS AGREEMENT DOES NOT INCLUDE ANY MAINTENANCE, REPAIRS, ALTERATIONS, REPLACEMENT OF PARTS, OR ANY FIELD ADJUSTMENTS WHATSOEVER, NOR DOES IT INCLUDE THE CORRECTION OF ANY DEFICIENCIES IDENTIFIED BY COMPANY TO CUSTOMER. COMPANY SHALL NOT BE RESPONSIBLE FOR EQUIPMENT FAILURE OCCURRING WHILE COMPANY IS IN THE PROCESS OF FOLLOWING ITS INSPECTION TECHNIQUES, WHERE THE FAILURE ALSO RESULTS FROM THE AGE OR OBSOLESCENCE OF THE ITEM OR DUE TO NORMAL WEAR AND TEAR. THIS AGREEMENT DOES NOT COVER SYSTEMS, EQUIPMENT, COMPONENTS OR PARTS THAT ARE BELOW GRADE, BEHIND WALLS OR OTHER OBSTRUCTIONS OR EXTERIOR TO THE BUILDING, ELECTRICAL WIRING, AND PIPING.

9. Customer Responsibilities. Customer shall regularly test the System(s) in accordance with applicable law and manufacturers' and Company's recommendations. Customer shall promptly notify Company of any malfunction in the Covered System(s) which comes to Customer's attention. This Agreement assumes any existing system(s) are in operational and maintainable condition as of the Agreement date. If, upon inspection, Company determines that repairs are recommended, repair charges will be submitted for approval by Customer's on-site representative prior to work. Should such repair work be declined, Company shall be relieved from any and all liability arising therefrom.

Customer further agrees to:

- Provide Company clear access to Covered System(s) to be serviced including, if applicable, lift trucks or other equipment needed to reach inaccessible equipment;
- Supply suitable electrical service, heat, heat tracing adequate water supply, and required system schematics and/or drawings;
- Notify all required persons, including but not limited to authorities having jurisdiction, employees, and monitoring services, of scheduled testing and/or repair of systems;
- Provide a safe work environment;
- In the event of an emergency or Covered System(s) failure, take reasonable precautions to protect against personal injury, death, and/or property damage and continue such measures until the Covered System(s) are operational; and
- Comply with all laws, codes, and regulations pertaining to the equipment and/or services provided under this agreement.

Customer represents and warrants that it has the right to authorize the Services to be performed as set forth in this Agreement.

10. Repair Services. Where Customer expressly includes repair, replacement, and emergency response services in the Service Solution section of this Agreement, such services apply only to the components or equipment of the

Covered System(s). Customer agrees to promptly request repair services in the event the System becomes inoperable or otherwise requires repair. The Agreement price does not include repairs to the Covered System(s) recommended by Company as a result of an inspection, for which Company will submit independent pricing to customer and as to which Company will not proceed until Customer authorizes such work and approves the pricing. Repair or replacement of non-maintainable parts of the Covered System(s) including, but not limited to, unit cabinets, insulating material, electrical wiring, structural supports, and all other non-moving parts, is not included under this Agreement.

11. **System Equipment**. The purchase of equipment or peripheral devices, (including but not limited to smoke detectors, passive infrared detectors, card readers, sprinkler system components, extinguishers and hoses) from Company shall be subject to the terms and conditions of this Agreement. If, in Company's sole judgment, any peripheral device or other system equipment, which is attached to the Covered System(s), whether provided by Company, Customer or a third party, interferes with the proper operation of the Covered System(s), Customer shall remove or replace such device or equipment promptly upon notice from Company. Failure of Customer to remove or replace the device shall constitute a material breach of this Agreement. If Customer adds any third party device or equipment to the Covered System(s), Company shall not be responsible for any damage to or failure of the Covered System(s) caused in whole or in part by such device or equipment**.**

12. **Reports**. Where inspection and/or test services are selected, such inspection and/or test shall be completed on Company's then current Report form, which shall be given to Customer, and, where applicable, Company may submit a copy thereof to the local authority having jurisdiction. The Report and recommendations by Company are only advisory in nature and are intended to assist Customer in reducing the risk of loss to property by indicating obvious defects or impairments noted to the system and equipment inspected and/or tested. They are not intended to imply that no other defects or hazards exist or that all aspects of the Covered System(s), equipment, and components are under control at the time of inspection. Final responsibility for the condition and operation of the Covered System(s) and equipment and components lies with Customer.

13. **Availability and Cost of Steel, Plastics & Other Commodities**. Company shall not be responsible for failure to provide services, deliver products, or otherwise perform work required by this Agreement due to lack of available steel products or products made from plastics or other commodities. (i) In the event Company is unable, after reasonable commercial efforts, to acquire and provide steel products, or products made from plastics or other commodities, if required to perform work required by this Agreement, Customer hereby agrees that Company may terminate the Agreement, or the relevant portion of the Agreement, at no additional cost and without penalty. Customer agrees to pay Company in full for all work performed up to the time of any such termination. (ii) If Company is able to obtain the steel products or products made from plastics or other commodities, but the price of any of the products has risen by more than 10% from the date of the bid, proposal or date Company executed this Agreement, whichever occurred first, then Company may pass through that increase through a reasonable price increase to reflect increased cost of materials**.**

14. Confined Space. If access to confined space by Company is required for the performance of Services, Services shall be scheduled and performed in accordance with Company's then-current hourly rate.

15. Hazardous Materials. Customer represents that, except to the extent that Company has been given written notice of the following hazards prior to the execution of this Agreement, to the best of Customer's knowledge there is no:

- "Permit confined space," as defined by OSHA,
- Risk of infectious disease,
- Need for air monitoring, respiratory protection, or other medical risk,
- Asbestos, asbestos-containing material, formaldehyde or other potentially toxic or otherwise hazardous material contained in or on the surface of the floors, walls, ceilings, insulation or other structural components of the area of any building where work is required to be performed under this Agreement.

All of the above are hereinafter referred to as "Hazardous Conditions". Company shall have the right to rely on the representations listed above. If hazardous conditions are encountered by Company during the course of Company's work, the discovery of such materials shall constitute an event beyond Company's control and Company shall have no obligation to further perform in the area where the hazardous conditions exist until the area has been made safe by Customer as certified in writing by an independent testing agency, and Customer shall pay disruption expenses and re-mobilization expenses as determined by Company.This Agreement does not provide for the cost of capture, containment or disposal of any hazardous waste materials, or hazardous materials, encountered in any of the Covered System(s) and/or during performance of the Services. Said materials shall at all times remain the responsibility and property of Customer. Company shall not be responsible for the testing, removal or disposal of such hazardous materials

16. **Remote Service**. If Customer selects Remote Service, Customer understands and agrees that, while Remote Service provides for communication regarding Customer's fire alarm system to Company via the internet, Remote Service does not constitute monitoring of the system and Customer understands that Remote Service does not provide for Company to contact the fire department or other authorities in the event of a fire ala[rm]. Customer understands that if it wishes to receive monitoring of its fire alarm system and notification of the fire department or other authorities in the event of a fire alarm, it must select monitoring services as a separate service under this Agreement**.** CUSTOMER FURTHER UNDERSTANDS AND AGREES THAT THE TERMS OF SECTION 17.F OF THIS AGREEMENT APPLY TO REMOTE SERVICE.

17. **Monitoring Services.** If Customer has selected Monitoring services, the following shall apply to such services:

A. **Alarm Monitoring Service**. Customer agrees and acknowledges that Company's sole and only obligation under this Agreement shall be to provide alarm monitoring, notification, and/or Runner services as set forth in this Agreement and to endeavor to notify the party(ies) identified by Customer on the Contact/Call List ("Contacts") and/or Local Emergency Dispatch Numbers for responding authorities. Upon receipt of an alarm signal, Company may, at our sole discretion, attempt to notify the Contacts to verify the signal is not false. If we fail to notify the Contacts or question the response we receive, we will attempt to notify the responding authority. In the event Company receives a supervisory signal or trouble signal, Company shall endeavor to promptly notify one of the Contacts. Company shall not be responsible for a Contact's or responding authority's refusal to acknowledge/respond to Company's notifications of receipt of an alarm signal, nor shall Company be required to make additional notifications because of such refusal. The Contacts are authorized to act on Customer's behalf and, if so designated on the Contact/Call List, are authorized to cancel an alarm prior to the notification of authorities. Customer understands that local laws, ordinances or policies may restrict Company's ability to provide the alarm monitoring and notification services described in this Agreement and/or necessitate modified or additional services and related charges to Customer. Customer understands that Company may employ a number of industry-recognized measures to help reduce occurrences of false alarm signal activations. These measures may include, but are not limited to, implementation of industry-recognized default settings; implementation of "partial clear time bypass" procedures at our alarm monitoring center and other similar measures at our sole discretion from time to time. THESE MEASURES CAN RESULT IN NO ALARM SIGNAL BEING SENT FROM AN ALARM ZONE IN CUSTOMER'S PREMISES AFTER THE INITIAL ALARM ACTIVATION UNTIL THE ALARM SYSTEM IS MANUALLY RESET. Upon receiving notification from Company that a fire or gas detection (e.g. carbon monoxide) signal has been received, the responding authority may forcibly enter the premises. Cellular radio unit test supervision, if provided under this Agreement, provides only the status of the cellular radio unit's current signaling ability at the time of the test communication based on certain programmed intervals and does not serve to detect the potential loss of radio service at the time of an actual emergency event. Company shall not be responsible to provide monitoring services under this Agreement unless and until the communication link between Customer's premises and Company's Monitoring Center has been tested. **SUCH SERVICES ARE PROVIDED WITHOUT WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE**.

B Limitation of Liability; **Limitations of Remedy**. Customer understands that Company offers several levels of Monitoring Services and that the level described has been chosen by Customer after considering and balancing various levels of protection afforded and their related costs**. It is understood and agreed by the Customer that Company is not an insurer and that insurance coverage, if any, shall be obtained by the Customer and that amounts payable to Company hereunder are based upon the value of the Monitoring Services and the scope of liability set forth in this Agreement and are unrelated to the value of the Customer's property and the property of others located on the premises. Customer agrees to look exclusively to the Customer's insurer to recover for injuries or damage in the event of any loss or injury and that Customer releases and waives all right of recovery against Company arising by way of subrogation. Company makes no guaranty or Warranty, including any implied warranty of merchantability or fitness for a particular purpose that equipment or services supplied by Company will detect or avert occurrences or the consequences there from that the equipment or service was designed to detect or avert. It is impractical and extremely difficult to fix the actual damages, if any, which may proximately result from failure on the part of Company to perform any of its monitoring obligations under this Agreement. Accordingly, Customer agrees that, Company shall be exempt from liability for any loss, damage or injury arising directly or indirectly from occurrences, or the consequences there from, which the equipment or service was designed to detect or avert. Should Company be found liable for any loss, damage or injury arising from a failure of the equipment or service in any respect, Company's liability with respect to Monitoring Services shall be the lesser of the annual fee for Monitoring Services allocable to the site where the incident occurred or two thousand five hundred ($2,500) dollars. Such sum shall be complete and exclusive. If Customer desires Company to assume greater liability, the parties shall amend this Agreement by attaching a rider setting forth the amount of additional liability and the additional amount payable by the Customer for the assumption by Company of such greater liability, provided however that such rider shall in no way be interpreted to hold Company as an insurer.**

IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY DAMAGE, LOSS, INJURY, OR ANY OTHER CLAIM ARISING FROM ANY SERVICING, ALTERATIONS, MODIFICATIONS, CHANGES, OR MOVEMENTS OF THE COVERED SYSTEM(S), AS HEREINAFTER DEFINED, OR ANY OF ITS COMPONENT PARTS BY THE CUSTOMER OR ANY THIRD PARTY. COMPANY SHALL NOT BE LIABLE FOR INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO DAMAGES ARISING FROM THE USE, LOSS OF THE USE, PERFORMANCE, OR FAILURE OF THE COVERED SYSTEM(S) TO PERFORM. The limitations of liability set forth in this Agreement shall inure to the benefit of all parents, subsidiaries and affiliates of Company, whether direct or indirect, Company's employees, agents, officers and directors.

C. **Indemnity, Insurance**. Customer agrees to indemnify, hold harmless and defend Company against any and all losses, damages, costs, including expert fees and costs, and expenses including reasonable defense costs, arising from any and all third party claims for personal injury, death, property damage or economic loss, arising in any way from any act or omission of Customer or Company relating in any way to the Monitoring Services provided under this Agreement, whether such claims are based upon contract, warranty, tort (including but not limited to active or passive negligence), strict liability or otherwise. Company reserves the right to select counsel to represent it in any such action. Customer shall name Company, its officers, employees, agents, subcontractors, suppliers, and representatives as additional insureds on Customer's general liability and auto liability policies.

D. **No modification**. Modification to Sections 17 B or C may only be made by a written amendment to this Agreement signed by both parities specifically referencing Section 17 B and/or C, and no such amendment shall be effective unless approved by the manager of Company's Central Monitoring Center.

E. **Customer's Duties**. In addition to Customer's duty to indemnify, defend, and hold Company harmless pursuant to this Section 17:

i. Customer agrees to furnish the names and telephone numbers of all persons authorized to enter or remain on Customer's premises and/or that should be notified in the event of an alarm (the Contact/Call List) and Local Emergency Dispatch Numbers and provide all changes, revision and modifications to the above to Company in writing in a timely manner. Customer must ensure that all such persons are authorized and able to respond to such notification.

ii. Customer shall carefully and properly test and set the system immediately prior to the securing of the premises and carefully test the system in a manner prescribed by Company during the term of this Agreement. Customer agrees that it is responsible for any losses or damages due to malfunction, miscommunication or failure of Customer's system to accurately handle, process or communicate date data. If any defect in operation of the System develops, or in the event of a power failure, interruption of telephone service, or other interruption at Customer's premises of signal or data transmission through any media, Customer shall notify Company immediately. If space/interior protection (i.e. ultrasonic, microwave, infrared, etc.) is part of the System, Customer shall walk test the system in the manner recommended by Company.

iii. When any device or protection is used, including, but not limited to, space protection, which may be affected by turbulence of air, occupied airspace change or other disturbance, forced air heaters, air conditioners, horns, bells, animals and any other sources of air turbulence or movement which may interfere with the effectiveness of the System during closed periods while the alarm system is on, Customer shall notify Company

iv. Customer shall promptly reset the System after any activation.

v. Customer shall notify Company regarding any remodeling or other changes to the protected premises that may affect operation of the system.

vi. Customer shall cooperate with Company in the installation, operation and/or maintenance of the system and agrees to follow all instructions and procedures which may be prescribed for the operation of the system, the rendering of services and the provision of security for the premises.

vii. Customer shall pay all charges made by any telephone or communications provider company or other utility for installation, leasing, and service charges of telephone lines connecting Customer's premises to Company. Customer acknowledges that alarm signals from Customer's premises to Company are transmitted over Customer's telephone or other transmission service and that in the event the telephone or other transmission service is out of order, disconnected, placed on "vacation", or otherwise interrupted, signals from Customer's alarm system will not be received by Company, during any such interruption in telephone or other transmission service and the interruption will not be known to Company. Customer agrees that in the event the equipment or system continuously transmits signals reasonably determined by Company to be false and/or excessive in number, Customer shall be subject to the additional costs and fees incurred by Company in the receiving and/or responding to the excessive signals and/or Company may at its sole discretion terminate this Agreement with respect to Monitoring services upon notice to Customer.

F. Communication Facilities.

i. Authorization. Customer authorizes Company, on Customer's behalf, to request services, orders or equipment from a telephone company, wireless carrier or other company providing communication facilities, signal transmission services or facilities under this Agreement (referred to as " Communication Company"). Should any third party service, equipment or facility be required to perform the Monitoring services set forth in this Agreement, and should the same be terminated or become ot[...] unavailable or impracticable to provide, Company may terminate Monitoring services upon notice to Customer.

ii. Digital Communicator. Customer understands that a digital communicator (DACT), if installed under this Agreement, uses traditional telephone lines for sending signals which eliminate the need for a dedicated telephone line and the costs associated with such dedicated lines.

iii. Derived Local Channel. The Communication Company's services provided to Customer in connection with the Services may include Derived Local Channel service. Such service may be provided under the Communication Company's service marks or service names. These services include providing lines, signal paths, scanning and transmission. Customer agrees that the Communication Company's liability is limited to the same extent Company's liability is limited pursuant to this Section 17.

iv. CUSTOMER UNDERSTANDS THAT COMPANY WILL NOT RECEIVE ALARM SIGNALS WHEN THE TELEPHONE LINE OR OTHER TRANSMISSION MODE IS NOT OPERATING OR HAS BEEN CUT, INTERFERED WITH OR IS OTHERWISE DAMAGED OR IF THE ALARM SYSTEM IS UNABLE TO ACQUIRE, TRANSMIT OR MAINTAIN AN ALARM SIGNAL OVER CUSTOMER'S TELEPHONE SERVICE FOR ANY REASON INCLUDING NETWORK OUTAGE OR OTHER NETWORK PROBLEMS SUCH AS CONGESTION OR DOWNTIME, ROUTING PROBLEMS, OR INSTABILITY OF SIGNAL QUALITY. CUSTOMER UNDERSTANDS THAT OTHER POTENTIAL CAUSES OF SUCH A FAILURE OVER CERTAIN TELEPHONE SERVICES (INCLUDING BUT NOT LIMITED TO SOME TYPES OF DSL, ADSL, VOIP, DIGITAL PHONE, INTERNET PROTOCOL BASED PHONE OR OTHER INTERNET INTERFACE-TYPE SERVICE OR RADIO SERVICE, INCLUDING CELLULAR OR PRIVATE RADIO, ETC. (" NON-TRADITIONAL TELEPHONE SERVICE")) INCLUDE BUT ARE NOT LIMITED TO: (1) LOSS OF NORMAL ELECTRIC POWER TO CUSTOMER'S PREMISES (THE BATTERY BACK-UP FOR THE ALARM PANEL DOES NOT POWER TELEPHONE SERVICE); AND (2) ELECTRONICS FAILURES SUCH AS A MODEM MALFUNCTION. CUSTOMER UNDERSTANDS THAT COMPANY WILL ONLY REVIEW THE INITIAL COMPATIBILITY OF CUSTOMER'S ALARM SYSTEM WITH NON-TRADITIONAL TELEPHONE SERVICE AT THE TIME OF INITIAL CONNECTION TO COMPANY'S MONITORING CENTER AND THAT CHANGES IN CUSTOMER'S TELEPHONE SERVICE'S DATA FORMAT AFTER THE INITIAL REVIEW OF COMPATIBILITY COULD MAKE CUSTOMER'S TELEPHONE SERVICE UNABLE TO TRANSMIT ALARM SIGNALS TO COMPANY'S MONITORING CENTERS. IF COMPANY DETERMINES IN ITS SOLE DISCRETION THAT IT IS COMPATIBLE, COMPANY WILL PERMIT CUSTOMER TO USE NON-TRADITIONAL TELEPHONE SERVICE AS THE SOLE METHOD OF TRANSMITTING ALARM SIGNALS, ALTHOUGH CUSTOMER UNDERSTANDS THAT COMPANY RECOMMENDS THE USE OF AN ADDITIONAL BACK-UP METHOD OF COMMUNICATION TO CONNECT CUSTOMER'S ALARM SYSTEM TO THE MONITORING CENTER REGARDLESS OF THE TYPE OF TELEPHONE SERVICE USED. CUSTOMER ALSO UNDERSTANDS THAT IF COMPANY DETERMINES IN ITS SOLE DISCRETION THAT CUSTOMER'S NON-TRADITIONAL TELEPHONE SERVICE IS OR LATER BECOMES NON-COMPATIBLE, OR IF CUSTOMER CHANGES TO ANOTHER NON-TRADITIONAL TELEPHONE SERVICE THAT IS NOT COMPATIBLE, THEN COMPANY REQUIRES THAT CUSTOMER USE AN ALTERNATE METHOD OF COMMUNICATION ACCEPTABLE TO COMPANY AS THE PRIMARY METHOD TO CONNECT CUSTOMER'S ALARM SYSTEM TO THE MONITORING CENTER. CUSTOMER UNDERSTANDS THAT TRANSMISSION OF FIRE ALARM SIGNALS BY MEANS OTHER THAN A TRADITIONAL TELEPHONE LINE MAY NOT BE IN COMPLIANCE WITH FIRE ALARM STANDARDS OR SOME LOCAL FIRE CODES, AND THAT IT IS CUSTOMER'S OBLIGATION TO COMPLY WITH SUCH STANDARDS AND CODES. CUSTOMER ALSO UNDERSTANDS THAT IF THE ALARM SYSTEM HAS A LINE CUT FEATURE, IT MAY NOT BE ABLE TO DETECT IF A NON-TRADITIONAL TELEPHONE SERVICE LINE IS CUT OR INTERRUPTED, AND THAT COMPANY MAY NOT BE ABLE TO PROVIDE CERTAIN AUXILIARY MONITORING SERVICES THROUGH A NON-TRADITIONAL TELEPHONE LINE OR SERVICE. CUSTOMER FURTHER UNDERSTANDS THAT THE ALARM PANEL MAY BE UNABLE TO SEIZE THE PHONE LINE TO TRANSMIT AN ALARM SIGNAL IF ANOTHER CONNECTION IS OFF THE HOOK DUE TO IMPROPER CONNECTION OR OTHERWISE.

G. Verification; Runner Service. Some jurisdictions may require alarm verification by telephone or on-site verification (Runner Service) before dispatching emergency services. In the event that a requirement of alarm verification becomes effective after the date of this Agreement, such services may be available at an additional charge. Company shall not be held liable for any delay or failure of dispatch of emergency services arising from such verification. Where Runner Service is indicated, such services may be provided by a third party. COMPANY WILL NOT ARREST OR DETAIN ANY PERSON.

H. Personal Emergency Response Service. If Customer has selected Personal Emergency Response Services, Customer agrees that the very nature of Personal Emergency Response Services, irrespective of any delays, involves uncertainty, risk and possible serious injury, disability or death, for which Company should not under any circumstances be held responsible or liable; that the equipment furnished for Personal Emergency Response Services is not foolproof and may experience signal transmission failures or delays for any number of reasons, whether or not our fault or under Company's control; that the actual time required for medical emergency providers to arrive at the premises and/or to transport any person requiring medical attention is unpredictable and that many contributing factors, including but not limited to such things as telephone network operation, distance, weather, road and traffic conditions, alarm equipment function and human factors, both with responding authorities and with Company, may affect response

18. **Limited Warranty**. **COMPANY WARRANTS THAT ITS WORKMANSHIP AND MATERIAL, EXCLUDING MONITORING SERVICES, FURNISHED UNDER THIS AGREEMENT WILL BE FREE FROM DEFECTS FOR A PERIOD OF NINETY (90) DAYS FROM THE DATE OF FURNISHING. Where Company provides product or equipment of others, Company will warrant the product or equipment only to the extent warranted by such third party. EXCEPT AS EXPRESSLY SET FORTH HEREIN, COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES PERFORMED OR THE PRODUCTS, SYSTEMS OR EQUIPMENT, IF ANY, SUPPORTED HEREUNDER. COMPANY MAKES NO WARRANTY OR REPRESENTATION, AND UNDERTAKES NO OBLIGATION TO ENSURE BY THE SERVICES PERFORMED UNDER THIS AGREEMENT, THAT COMPANY'S PRODUCTS OR THE SYSTEMS OR EQUIPMENT OF THE CUSTOMER WILL CORRECTLY HANDLE THE PROCESSING OF CALENDAR DATES BEFORE OR AFTER DECEMBER 31, 1999**.

19. Taxes, Fees, Fines, Licenses, and Permits. Customer agrees to pay all sales tax, use tax, property tax, utility tax and other taxes required in connection with the equipment and services listed, including telephone company line charges, if any. Customer shall comply with all laws and regulations relating to the equipment and its use and shall promptly pay when due all sales, use, property, excise and other taxes and all permit, license and registration fees now or hereafter imposed by any government body or agency upon the equipment or its use. Company may, without notice, obtain any required permit, license or registration for Customer at Customer's expense and charge a fee for this service. If Customer fails to maintain any required licenses or permits, Company shall not be responsible for performing the services and may terminate the services without notice to Customer.

20. **Outside Charges.** Customer understands and accepts that Company specifically denies any responsibility for charges associated with the notification or dispatching of anyone, including but not limited to fire department, police department, paramedics, doctors, or any other emergency personnel, and if there are any charges incurred as a result of said notification or dispatch, said charges shall be the responsibility of Customer.

21. Insurance. Customer shall name Company, its officers, employees, agents, subcontractors, suppliers, and representatives as additional insureds on Customer's general liability and auto liability policies.

22. Waiver of Subrogation. Customer does hereby for itself and all other parties claiming under it release and discharge Company from and against all hazards covered by Customer's insurance, it being expressly agreed and understood that no insurance company or insurer will have any right of subrogation against Company.

23. **Force Majeure**, **Exclusions**. Company shall not be responsible for delays, interruption or failure to render services due to causes beyond its control, including but not limited to material shortages, work stoppages, fires, civil disobedience or unrest, severe weather, fire or any other cause beyond the control of Company. This Agreement expressly excludes, without limitation, provision of fire watches; reloading of, upgrading, and maintaining computer software; making repairs or replacements necessitated by reason of negligence or misuse of components or equipment or changes to Customer's premises; vandalism; power failure; current fluctuation; failure due to non-Company installation; lightning, electrical storm, or other severe weather; water; accident; fire; acts of God; testing inspection and repair of duct detectors, beam detectors, and UV/IR equipment; provision of fire watches; clearing of ice blockage; draining of improperly pitched piping; batteries; recharging of chemical suppression systems; reloading of, upgrading, and maintaining computer software; corrosion (including but not limited to micro-bacterially induced corrosion ("MIC")); cartridges greater that 16 grams; gas valve installation; or any other cause external to the Covered System(s) and Company shall not be required to provide Service while interruption of service due to such causes shall continue. This Agreement does not cover and specifically excludes system upgrades and the replacement of obsolete systems, equipment, components or parts. All such services may be provided by Company at Company's sole discretion at an additional charge. If Emergency Services are expressly included in the Service Solution, the Agreement price does not include travel expenses**.**

24. Delays. Company shall have no responsibility or liability to Customer or any other person for delays in the installation or repair of the System or the performance of our Services regardless of the reason, or for any resulting consequences.

25. Termination. Company may terminate this Agreement immediately at its sole discretion upon the occurrence of any Event of Default as hereinafter defined. Company may also terminate this Agreement at its sole discretion upon notice to Customer if Company's performance of its obligations un[der this] Agreement becomes impracticable due to obsolescence of equipment at Customer's premises or unavailability of parts.

26. No Option to Solicit. Customer shall not, directly or indirectly, on its own behalf or on behalf of any other person, business, corporation or entity, solicit or employ any Company employee, or induce any Company employee to leave his or her employment with Company, for a period of two years after the termination of this Agreement.

27. Default. An Event of Default shall include 1) any full or partial termination of this Agreement by Customer before the expiration of the then-current Term, 2) failure of the Customer to pay any amount within ten (10) days after the amount is due and payable, 3) abuse of the System or the Equipment, 4) failure by Customer to observe, keep or perform any term of this Agreement; 5) dissolution, termination, discontinuance, insolvency or business failure of Customer. Upon the occurrence of an Event of Default, Company may pursue one or more of the following remedies, 1) discontinue furnishing Services, 2) by written notice to Customer declare the balance of unpaid amounts due and to become due under the this Agreement to be immediately due and payable, provided that all past due amounts shall bear interest at the rate of 1 ½% per month (18% per year) or the highest amount permitted by law, 3) receive immediate possession of any equipment for which Customer has not paid. 4) proceed at law or equity to enforce performance by Customer or recover damages for breach of this Agreement, and 5) recover all costs and expenses, including without limitation reasonable attorneys' fees, in connection with enforcing or attempting to enforce this Agreement.

28. One-Year Limitation on Actions; Choice of Law. It is agreed that no suit, or cause of action or other proceeding shall be brought against either party more than one (1) year after the accrual of the cause of action or one (1) year after the claim arises, whichever is shorter, whether known or unknown when the claim arises or whether based on tort, Agreement, or any other legal theory. The laws of Massachusetts shall govern the validity, enforceability, and interpretation of this Agreement.

29. Assignment. Customer may not assign this Agreement without Company's prior written consent. Company may assign this Agreement without obtaining Customer's consent.

30. Entire Agreement. The parties intend this Agreement, together with any attachments or Riders (collectively the "Agreement) to be the final, complete and exclusive expression of their Agreement and the terms and conditions thereof. This Agreement supersedes all prior representations, understandings or agreements between the parties, written or oral, and shall constitute the sole terms and conditions relating to the Services. No waiver, change, or modification of any terms or conditions of this Agreement shall be binding on Company unless made in writing and signed by an Authorized Representative of Company.

31. Headings. The headings in this Agreement are for convenience only.

32. Severability. If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or in part, this Agreement will continue to be valid as to the other provisions and the remainder of the affected provision.

33. Electronic Media. Customer agrees that Company may scan, image or otherwise convert this Agreement into an electronic format of any nature. Customer agrees that a copy of this Agreement produced from such electronic format is legally equivalent to the original for any and all purposes, including litigation. Customer agrees that Company's receipt by fax of the Agreement signed by Customer legally binds Customer and such fax copy is legally equivalent to the original for any and all purposes, including litigation.

34. Legal Fees. Company shall be entitled to recover from the Customer all reasonable legal fees incurred in connection with Company enforcing the terms and conditions of this Agreement.

35. License Information (Security System Customers): AL Alabama Electronic Security Board of Licensure 7956 Vaughn Road, PMB 392, Montgomery, Alabama 36116 (334) 264-9388: AR Regulated by: Arkansas Board of Private Investigators and Private Security Agencies, #1 State Police Plaza Drive, Little Rock 72209 (501)618-8600: CA Alarm company operators are licensed and regulated by the Bureau of Security and Investigative Services, Department of Consumer Affairs, Sacramento, CA, 95814. Upon completion of the installation of the alarm system, the alarm company shall thoroughly instruct the purchaser in the proper use of the alarm system. Failure by the licensee, without legal excuse, to substantially commence work within 20 days from the approximate date specified in the agreement when the work will begin is a violation of the Alarm Company Act: NY Licensed by the N.Y.S. Department of the State: TX Texas Commission on Private Security, 5805 N. Lamar Blvd., Austin, TX 78752-4422, 512-424-7710. License numbers available at www.simplexgrinnell.com or contact your local SimplexGrinnell office.

tyco SimplexGrinnell

Service Solution

Billing Customer:
De Pere City Hall
335 S Broadway
DE PERE, WI 54115-2526

Customer:
De Pere City Hall
Date: 03-AUG-15
Proposal #:435795
Term:01-AUG-15 to 31-JUL-17

Service Location:
De Pere City Hall
335 S Broadway
DE PERE, WI 54115-2526

SimplexGrinnell
Sales Representative:
MICHAEL L PRICE
1941 Holmgren Way
GREEN BAY, WI 54304-4514
MichPrice@simplexgrinnell.com

INVESTMENT SUMMARY

(*Excludes applicable Sales Tax* ▪ *Service Solution Valid for 45 Days*)

SERVICE/PRODUCT DESCRIPTION	QUANTITY	FREQUENCY	INVESTMENT

Recurring Annual Investment

Software House Software Support
C CURE SYSTEM

Software House Software Support Total: $1,735.00

Total Recurring Annual Investment: $1,735.00

Service Solution

SUMMARY OF SERVICES

Access Control Software Services Agreement (SSA)

A customized software support agreement for your access control system. This includes software and firmware updates.

tyco SimplexGrinnell

Service Solution

SPECIAL PROVISIONS

Access Control Software Services Agreement (SSA)

CUSTOMER PORTAL
Please note that customers that have a service agreement in place qualify for our "free" customer portal access. Customer portal is a web-based tool that provides our customers with an easy and secure access to their information. From the portal you will be able to access information such as:
- The ability to update your contact information
- Access to copies of invoices (both current and from the past) with ability to print.
- Access to view status and details of current and closed service requests.
- Access to service history and details of repairs with ability to print service acknowledgements.
- Ability to create a service request on-line 24 hours a day, 7 days a week, 365 days a year. Once requested our SRC will contact you with an estimated time of arrival.
- Ability to set up permission to authorize other users within your organization to use the portal.Wisconsin Agreement Extension Notice

- Online access to inspection reports done with our EIR . (Electronic Inspection Reporting) System.

Service Solution

This Service Solution (the "Agreement") sets forth the Terms and Conditions for the provision of equipment and services to be provided by SimplexGrinnell LP ("Company") to **De Pere City Hall** and is effective **01-AUG-15** to **31-JUL-17** (the "Initial Term")**.**

PAYMENT TERM: *Annual In Advance*

PAYMENT AMOUNT: $1,735.00 - **Proposal # :** 435795

CUSTOMER ACCEPTANCE: In accepting this Agreement, Customer agrees to the Terms and Conditions on the following pages and any attachments or riders attached hereto that contain additional terms and conditions. It is understood that these terms and conditions shall prevail over any variation in terms and conditions on any purchase order or other document that the Customer may issue. Any changes in the system requested by the Customer after the execution of Agreement shall be paid for by the Customer and such changes shall be authorized in writing.

ATTENTION IS DIRECTED TO THE LIMITATION OF LIABILITY, WARRANTY, INDEMNITY AND OTHER CONDITIONS CONTAINED IN THIS AGREEMENT.

De Pere City Hall		**SimplexGrinnell**	
Signature:	______________________	MICHAEL L PRICE	
Print Name:	______________________	Phone #:	______________________
Title:	______________________	Fax #:	______________________
Phone#:	______________________	License #: (If Applicable)	______________________
Fax #:	______________________	Authorized Signature:	______________________
Email:	______________________	Print Name:	______________________
PO#:	______________________	Title:	______________________
Date:	______________________	Date:	______________________

TERMS AND CONDITIONS

1. Term. The Initial Term of this Agreement shall commence on the date of this Agreement and continue for the period indicated in this Agreement. At the conclusion of the Initial Term, this Agreement shall automatically extend for successive terms equal to the Initial Term, each and together a "Term" of this Agreement, unless either party gives written notice to the other party at least thirty (30) days prior to the end of the then-current term.

2. Payment. Payments shall be invoiced and due in accordance with the terms and conditions set forth in this Agreement. Work performed on a time and material basis shall be at the then-prevailing Company rate for material, labor, and related items, in effect at the time supplied under this Agreement.

3. Pricing. The pricing set forth in this Agreement is based on the number of devices and services to be performed as set forth in this Agreement. If the actual number of devices installed or services to be performed is greater than that set forth in this Agreement, the price will be increased accordingly. Company may increase prices upon notice to the Customer or annually to reflect increases in material and labor costs. Customer agrees to pay all taxes, permits, and other charges, including but not limited to state and local sales and excise taxes, installation or alarm permits, false alarm assessments, or any charges imposed by any government body, however designated, levied or based on the service charges pursuant to this Agreement. The Customer's failure to make payment when due is a material breach of this Agreement.

4. Code Compliance. Company does not undertake an obligation to inspect for compliance with laws or regulations unless specifically stated in this Agreement. Customer acknowledges that the Authority Having Jurisdiction (e.g. Fire Marshal) may establish additional requirements for compliance with local codes. Any additional services or equipment required will be provided at an additional cost to Customer.

5. Limitation of Liability; Limitations of Remedy. Customer understands that Company offers several levels of protection services and that the level described has been chosen by Customer after considering and balancing various levels of protection afforded and their related costs. **It is understood and agreed by the Customer that Company is not an insurer and that insurance coverage, if any, shall be obtained by the Customer and that amounts payable to Company hereunder are based upon the value of the services and the scope of liability set forth in this Agreement and are unrelated to the value of the Customer's property and the property of others located on the premises. Customer agrees to look exclusively to the Customer's insurer to recover for injuries or damage in the event of any loss or injury and that Customer releases and waives all right of recovery against Company arising by way of subrogation. Company makes no guaranty or Warranty, including any implied warranty of merchantability or fitness for a particular purpose that equipment or services supplied by Company will detect or avert occurrences or the consequences therefrom that the equipment or service was designed to detect or avert. It is impractical and extremely difficult to fix the actual damages, if any, which may proximately result from failure on the part of Company to perform any of its obligations under this Agreement. Accordingly, Customer agrees that, Company shall be exempt from liability for any loss, damage or injury arising directly or indirectly from occurrences, or the consequences therefrom, which the equipment or service was designed to detect or avert. Should Company be found liable for any loss, damage or injury arising from a failure of the equipment or service in any respect, Company's liability for Services performed on site at Customer's premises shall be limited to an amount equal to the Agreement price (as increased by the price for any additional work) or, where the time and material payment term is selected, Customer's time and material payments to Company. Where this Agreement covers multiple sites, liability shall be limited to the amount of the payments allocable to the site where the incident occurred. Company's liability with respect to Monitoring Services is set forth in Section 17 of this Agreement. Such sum shall be complete and exclusive. If Customer desires Company to assume greater liability, the parties shall amend this Agreement by attaching a rider setting forth the amount of additional liability and the additional amount payable by the Customer for the assumption by Company of such greater liability, provided however that such rider shall in no way be interpreted to hold Company as an insurer. IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY DAMAGE, LOSS, INJURY, OR ANY OTHER CLAIM ARISING FROM ANY SERVICING, ALTERATIONS, MODIFICATIONS, CHANGES, OR MOVEMENTS OF THE COVERED SYSTEM(S), AS HEREINAFTER DEFINED, OR ANY OF ITS COMPONENT PARTS BY THE CUSTOMER OR ANY THIRD PARTY. COMPANY SHALL NOT BE LIABLE FOR INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO DAMAGES ARISING FROM THE USE, LOSS OF THE USE, PERFORMANCE, OR FAILURE OF THE COVERED SYSTEM(S) TO PERFORM. The limitations of liability set forth in this Agreement shall inure to the benefit of all parents, subsidiaries and affiliates of Company, whether direct or indirect, Company's employees, agents, officers and directors.**

6. Reciprocal Waiver of Claims (SAFETY Act). Certain of Company's systems and services have received Certification and/or Designation as Qualified Anti-Terrorism Technologies ("QATT") under the Support Anti-terrorism by Fostering Effective Technologies Act of 2002, 6 U.S.C. §§ 441-444 (the "SAFETY Act"). As required under 6 C.F.R. 25.5 (e), maximum extent permitted by law, Company and Customer hereby agree to waive their right to make any claims against the other for any losses, including business interruption losses, sustained by either party or their respective employees, resulting from an activity resulting from an "Act of Terrorism" as defined in 6 C.F.R. 25.2, when QATT have been deployed in defense against, response to, or recovery from such Act of Terrorism.

7. Indemnity. Customer agrees to indemnify, hold harmless and defend Company against any and all losses, damages, costs, including expert fees and costs, and expenses including reasonable defense costs, arising from any and all third party claims for personal injury, death, property damage or economic loss, arising in any way from any act or omission of Customer or Company relating in any way to this Agreement, including but not limited to the Services under this Agreement, whether such claims are based upon contract, warranty, tort (including but not limited to active or passive negligence), strict liability or otherwise. Company reserves the right to select counsel to represent it in any such action. Customer's responsibility with respect to indemnification and defense of Company with respect to Monitoring Services is set forth in Section 17 of this Agreement.

8. General Provisions. Customer has selected the service level desired after considering and balancing various levels of protection afforded, and their related costs. Customer acknowledges and agrees that by this Agreement, Company, unless specifically stated, does not undertake any obligation to maintain or render Customer's system or equipment as Year 2000 compliant, which shall mean, capable of correctly handling the processing of calendar dates before or after December 31, 1999. All work to be performed by Company will be performed during normal working hours of normal working days (8:00 a.m. - 5:00 p.m.), Monday through Friday, excluding Company holidays), as defined by Company, unless additional times are specifically described in this Agreement. All work performed unscheduled unless otherwise specified in this Agreement. Appointments scheduled for four-hour window. Additional charges may apply for special scheduling requests, e.g. working around equipment shutdowns, after hours work.

Company will perform the services described in the Service Solution ("Services ") for one or more system(s) or equipment as described in the Service Solution or the listed attachments ("Covered System(s)"). UNLESS OTHERWISE SPECIFIED IN THIS AGREEMENT, ANY INSPECTION (AND, IF SPECIFIED, TESTING) PROVIDED UNDER THIS AGREEMENT DOES NOT INCLUDE ANY MAINTENANCE, REPAIRS, ALTERATIONS, REPLACEMENT OF PARTS, OR ANY FIELD ADJUSTMENTS WHATSOEVER, NOR DOES IT INCLUDE THE CORRECTION OF ANY DEFICIENCIES IDENTIFIED BY COMPANY TO CUSTOMER. COMPANY SHALL NOT BE RESPONSIBLE FOR EQUIPMENT FAILURE OCCURRING WHILE COMPANY IS IN THE PROCESS OF FOLLOWING ITS INSPECTION TECHNIQUES, WHERE THE FAILURE ALSO RESULTS FROM THE AGE OR OBSOLESCENCE OF THE ITEM OR DUE TO NORMAL WEAR AND TEAR. THIS AGREEMENT DOES NOT COVER SYSTEMS, EQUIPMENT, COMPONENTS OR PARTS THAT ARE BELOW GRADE, BEHIND WALLS OR OTHER OBSTRUCTIONS OR EXTERIOR TO THE BUILDING, ELECTRICAL WIRING, AND PIPING.

9. Customer Responsibilities. Customer shall regularly test the System(s) in accordance with applicable law and manufacturers' and Company's recommendations. Customer shall promptly notify Company of any malfunction in the Covered System(s) which comes to Customer's attention. This Agreement assumes any existing system(s) are in operational and maintainable condition as of the Agreement date. If, upon inspection, Company determines that repairs are recommended, repair charges will be submitted for approval by Customer's on-site representative prior to work. Should such repair work be declined, Company shall be relieved from any and all liability arising therefrom.

Customer further agrees to:

- Provide Company clear access to Covered System(s) to be serviced including, if applicable, lift trucks or other equipment needed to reach inaccessible equipment;
- Supply suitable electrical service, heat, heat tracing adequate water supply, and required system schematics and/or drawings;
- Notify all required persons, including but not limited to authorities having jurisdiction, employees, and monitoring services, of scheduled testing and/or repair of systems;
- Provide a safe work environment;
- In the event of an emergency or Covered System(s) failure, take reasonable precautions to protect against personal injury, death, and/or property damage and continue such measures until the Covered System(s) are operational; and
- Comply with all laws, codes, and regulations pertaining to the equipment and/or services provided under this agreement.

Customer represents and warrants that it has the right to authorize the Services to be performed as set forth in this Agreement.

10. Repair Services. Where Customer expressly includes repair, replacement, and emergency response services in the Service Solution section of this Agreement, such services apply only to the components or equipment of the

Covered System(s). Customer agrees to promptly request repair services in the event the System becomes inoperable or otherwise requires repair. The Agreement price does not include repairs to the Covered System(s) recommended by Company as a result of an inspection, for which Company will submit independent pricing to customer and as to which Company will not proceed until Customer authorizes such work and approves the pricing. Repair or replacement of non-maintainable parts of the Covered System(s) including, but not limited to, unit cabinets, insulating material, electrical wiring, structural supports, and all other non-moving parts, is not included under this Agreement.

11. **System Equipment**. The purchase of equipment or peripheral devices, (including but not limited to smoke detectors, passive infrared detectors, card readers, sprinkler system components, extinguishers and hoses) from Company shall be subject to the terms and conditions of this Agreement. If, in Company's sole judgment, any peripheral device or other system equipment, which is attached to the Covered System(s), whether provided by Company, Customer or a third party, interferes with the proper operation of the Covered System(s), Customer shall remove or replace such device or equipment promptly upon notice from Company. Failure of Customer to remove or replace the device shall constitute a material breach of this Agreement. If Customer adds any third party device or equipment to the Covered System(s), Company shall not be responsible for any damage to or failure of the Covered System(s) caused in whole or in part by such device or equipment**.**

12. **Reports**. Where inspection and/or test services are selected, such inspection and/or test shall be completed on Company's then current Report form, which shall be given to Customer, and, where applicable, Company may submit a copy thereof to the local authority having jurisdiction. The Report and recommendations by Company are only advisory in nature and are intended to assist Customer in reducing the risk of loss to property by indicating obvious defects or impairments noted to the system and equipment inspected and/or tested. They are not intended to imply that no other defects or hazards exist or that all aspects of the Covered System(s), equipment, and components are under control at the time of inspection. Final responsibility for the condition and operation of the Covered System(s) and equipment and components lies with Customer.

13. **Availability and Cost of Steel, Plastics & Other Commodities**. Company shall not be responsible for failure to provide services, deliver products, or otherwise perform work required by this Agreement due to lack of available steel products or products made from plastics or other commodities. (i) In the event Company is unable, after reasonable commercial efforts, to acquire and provide steel products, or products made from plastics or other commodities, if required to perform work required by this Agreement, Customer hereby agrees that Company may terminate the Agreement, or the relevant portion of the Agreement, at no additional cost and without penalty. Customer agrees to pay Company in full for all work performed up to the time of any such termination. (ii) If Company is able to obtain the steel products or products made from plastics or other commodities, but the price of any of the products has risen by more than 10% from the date of the bid, proposal or date Company executed this Agreement, whichever occurred first, then Company may pass through that increase through a reasonable price increase to reflect increased cost of materials**.**

14. Confined Space. If access to confined space by Company is required for the performance of Services, Services shall be scheduled and performed in accordance with Company's then-current hourly rate.

15. Hazardous Materials. Customer represents that, except to the extent that Company has been given written notice of the following hazards prior to the execution of this Agreement, to the best of Customer's knowledge there is no:

- "Permit confined space," as defined by OSHA,
- Risk of infectious disease,
- Need for air monitoring, respiratory protection, or other medical risk,
- Asbestos, asbestos-containing material, formaldehyde or other potentially toxic or otherwise hazardous material contained in or on the surface of the floors, walls, ceilings, insulation or other structural components of the area of any building where work is required to be performed under this Agreement.

All of the above are hereinafter referred to as "Hazardous Conditions". Company shall have the right to rely on the representations listed above. If hazardous conditions are encountered by Company during the course of Company's work, the discovery of such materials shall constitute an event beyond Company's control and Company shall have no obligation to further perform in the area where the hazardous conditions exist until the area has been made safe by Customer as certified in writing by an independent testing agency, and Customer shall pay disruption expenses and re-mobilization expenses as determined by Company.This Agreement does not provide for the cost of capture, containment or disposal of any hazardous waste materials, or hazardous materials, encountered in any of the Covered System(s) and/or during performance of the Services. Said materials shall at all times remain the responsibility and property of Customer. Company shall not be responsible for the testing, removal or disposal of such hazardous materials

16. **Remote Service**. If Customer selects Remote Service, Customer understands and agrees that, while Remote Service provides for communication regarding Customer's fire alarm system to Company via the internet, Remote Service does not constitute monitoring of the system and Customer understands that Remote Service does not provide for Company to contact the fire department or other authorities in the event of a fire ala[rm.] Customer understands that if it wishes to receive monitoring of its fire alarm system and notification of the fire department or other authorities in the event of a fire alarm, it must select monitoring services as a separate service under this Agreement**.** CUSTOMER FURTHER UNDERSTANDS AND AGREES THAT THE TERMS OF SECTION 17.F OF THIS AGREEMENT APPLY TO REMOTE SERVICE.

17. **Monitoring Services.** If Customer has selected Monitoring services, the following shall apply to such services:

A. **Alarm Monitoring Service**. Customer agrees and acknowledges that Company's sole and only obligation under this Agreement shall be to provide alarm monitoring, notification, and/or Runner services as set forth in this Agreement and to endeavor to notify the party(ies) identified by Customer on the Contact/Call List ("Contacts") and/or Local Emergency Dispatch Numbers for responding authorities. Upon receipt of an alarm signal, Company may, at our sole discretion, attempt to notify the Contacts to verify the signal is not false. If we fail to notify the Contacts or question the response we receive, we will attempt to notify the responding authority. In the event Company receives a supervisory signal or trouble signal, Company shall endeavor to promptly notify one of the Contacts. Company shall not be responsible for a Contact's or responding authority's refusal to acknowledge/respond to Company's notifications of receipt of an alarm signal, nor shall Company be required to make additional notifications because of such refusal. The Contacts are authorized to act on Customer's behalf and, if so designated on the Contact/Call List, are authorized to cancel an alarm prior to the notification of authorities. Customer understands that local laws, ordinances or policies may restrict Company's ability to provide the alarm monitoring and notification services described in this Agreement and/or necessitate modified or additional services and related charges to Customer. Customer understands that Company may employ a number of industry-recognized measures to help reduce occurrences of false alarm signal activations. These measures may include, but are not limited to, implementation of industry-recognized default settings; implementation of "partial clear time bypass" procedures at our alarm monitoring center and other similar measures at our sole discretion from time to time. THESE MEASURES CAN RESULT IN NO ALARM SIGNAL BEING SENT FROM AN ALARM ZONE IN CUSTOMER'S PREMISES AFTER THE INITIAL ALARM ACTIVATION UNTIL THE ALARM SYSTEM IS MANUALLY RESET. Upon receiving notification from Company that a fire or gas detection (e.g. carbon monoxide) signal has been received, the responding authority may forcibly enter the premises. Cellular radio unit test supervision, if provided under this Agreement, provides only the status of the cellular radio unit's current signaling ability at the time of the test communication based on certain programmed intervals and does not serve to detect the potential loss of radio service at the time of an actual emergency event. Company shall not be responsible to provide monitoring services under this Agreement unless and until the communication link between Customer's premises and Company's Monitoring Center has been tested. **SUCH SERVICES ARE PROVIDED WITHOUT WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE**.

B Limitation of Liability; **Limitations of Remedy**. Customer understands that Company offers several levels of Monitoring Services and that the level described has been chosen by Customer after considering and balancing various levels of protection afforded and their related costs**. It is understood and agreed by the Customer that Company is not an insurer and that insurance coverage, if any, shall be obtained by the Customer and that amounts payable to Company hereunder are based upon the value of the Monitoring Services and the scope of liability set forth in this Agreement and are unrelated to the value of the Customer's property and the property of others located on the premises. Customer agrees to look exclusively to the Customer's insurer to recover for injuries or damage in the event of any loss or injury and that Customer releases and waives all right of recovery against Company arising by way of subrogation. Company makes no guaranty or Warranty, including any implied warranty of merchantability or fitness for a particular purpose that equipment or services supplied by Company will detect or avert occurrences or the consequences there from that the equipment or service was designed to detect or avert. It is impractical and extremely difficult to fix the actual damages, if any, which may proximately result from failure on the part of Company to perform any of its monitoring obligations under this Agreement. Accordingly, Customer agrees that, Company shall be exempt from liability for any loss, damage or injury arising directly or indirectly from occurrences, or the consequences there from, which the equipment or service was designed to detect or avert. Should Company be found liable for any loss, damage or injury arising from a failure of the equipment or service in any respect, Company's liability with respect to Monitoring Services shall be the lesser of the annual fee for Monitoring Services allocable to the site where the incident occurred or two thousand five hundred ($2,500) dollars. Such sum shall be complete and exclusive. If Customer desires Company to assume greater liability, the parties shall amend this Agreement by attaching a rider setting forth the amount of additional liability and the additional amount payable by the Customer for the assumption by Company of such greater liability, provided however that such rider shall in no way be interpreted to hold Company as an insurer.**

IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY DAMAGE, LOSS, INJURY, OR ANY OTHER CLAIM ARISING FROM ANY SERVICING, ALTERATIONS, MODIFICATIONS, CHANGES, OR MOVEMENTS OF THE COVERED SYSTEM(S), AS HEREINAFTER DEFINED, OR ANY OF ITS COMPONENT PARTS BY THE CUSTOMER OR ANY THIRD PARTY. COMPANY SHALL NOT BE LIABLE FOR INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO DAMAGES ARISING FROM THE USE, LOSS OF THE USE, PERFORMANCE, OR FAILURE OF THE COVERED SYSTEM(S) TO PERFORM. The limitations of liability set forth in this Agreement shall inure to the benefit of all parents, subsidiaries and affiliates of Company, whether direct or indirect, Company's employees, agents, officers and directors.

C. **Indemnity, Insurance**. Customer agrees to indemnify, hold harmless and defend Company against any and all losses, damages, costs, including expert fees and costs, and expenses including reasonable defense costs, arising from any and all third party claims for personal injury, death, property damage or economic loss, arising in any way from any act or omission of Customer or Company relating in any way to the Monitoring Services provided under this Agreement, whether such claims are based upon contract, warranty, tort (including but not limited to active or passive negligence), strict liability or otherwise. Company reserves the right to select counsel to represent it in any such action. Customer shall name Company, its officers, employees, agents, subcontractors, suppliers, and representatives as additional insureds on Customer's general liability and auto liability policies.

D. **No modification**. Modification to Sections 17 B or C may only be made by a written amendment to this Agreement signed by both parities specifically referencing Section 17 B and/or C, and no such amendment shall be effective unless approved by the manager of Company's Central Monitoring Center.

E. **Customer's Duties**. In addition to Customer's duty to indemnify, defend, and hold Company harmless pursuant to this Section 17:

i. Customer agrees to furnish the names and telephone numbers of all persons authorized to enter or remain on Customer's premises and/or that should be notified in the event of an alarm (the Contact/Call List) and Local Emergency Dispatch Numbers and provide all changes, revision and modifications to the above to Company in writing in a timely manner. Customer must ensure that all such persons are authorized and able to respond to such notification.

ii. Customer shall carefully and properly test and set the system immediately prior to the securing of the premises and carefully test the system in a manner prescribed by Company during the term of this Agreement. Customer agrees that it is responsible for any losses or damages due to malfunction, miscommunication or failure of Customer's system to accurately handle, process or communicate date data. If any defect in operation of the System develops, or in the event of a power failure, interruption of telephone service, or other interruption at Customer's premises of signal or data transmission through any media, Customer shall notify Company immediately. If space/interior protection (i.e. ultrasonic, microwave, infrared, etc.) is part of the System, Customer shall walk test the system in the manner recommended by Company.

iii. When any device or protection is used, including, but not limited to, space protection, which may be affected by turbulence of air, occupied airspace change or other disturbance, forced air heaters, air conditioners, horns, bells, animals and any other sources of air turbulence or movement which may interfere with the effectiveness of the System during closed periods while the alarm system is on, Customer shall notify Company

iv. Customer shall promptly reset the System after any activation.

v. Customer shall notify Company regarding any remodeling or other changes to the protected premises that may affect operation of the system.

vi. Customer shall cooperate with Company in the installation, operation and/or maintenance of the system and agrees to follow all instructions and procedures which may be prescribed for the operation of the system, the rendering of services and the provision of security for the premises.

vii. Customer shall pay all charges made by any telephone or communications provider company or other utility for installation, leasing, and service charges of telephone lines connecting Customer's premises to Company. Customer acknowledges that alarm signals from Customer's premises to Company are transmitted over Customer's telephone or other transmission service and that in the event the telephone or other transmission service is out of order, disconnected, placed on "vacation", or otherwise interrupted, signals from Customer's alarm system will not be received by Company, during any such interruption in telephone or other transmission service and the interruption will not be known to Company. Customer agrees that in the event the equipment or system continuously transmits signals reasonably determined by Company to be false and/or excessive in number, Customer shall be subject to the additional costs and fees incurred by Company in the receiving and/or responding to the excessive signals and/or Company may at its sole discretion terminate this Agreement with respect to Monitoring services upon notice to Customer.

F. Communication Facilities.

i. Authorization. Customer authorizes Company, on Customer's behalf, to request services, orders or equipment from a telephone company, wireless carrier or other company providing communication facilities, signal transmission services or facilities under this Agreement (referred to as " Communication Company"). Should any third party service, equipment or facility be required to perform the Monitoring services set forth in this Agreement, and should the same be terminated or become ot[herwise] unavailable or impracticable to provide, Company may terminate Monitoring services upon notice to Customer.

ii. Digital Communicator. Customer understands that a digital communicator (DACT), if installed under this Agreement, uses traditional telephone lines for sending signals which eliminate the need for a dedicated telephone line and the costs associated with such dedicated lines.

iii. Derived Local Channel. The Communication Company's services provided to Customer in connection with the Services may include Derived Local Channel service. Such service may be provided under the Communication Company's service marks or service names. These services include providing lines, signal paths, scanning and transmission. Customer agrees that the Communication Company's liability is limited to the same extent Company's liability is limited pursuant to this Section 17.

iv. CUSTOMER UNDERSTANDS THAT COMPANY WILL NOT RECEIVE ALARM SIGNALS WHEN THE TELEPHONE LINE OR OTHER TRANSMISSION MODE IS NOT OPERATING OR HAS BEEN CUT, INTERFERED WITH OR IS OTHERWISE DAMAGED OR IF THE ALARM SYSTEM IS UNABLE TO ACQUIRE, TRANSMIT OR MAINTAIN AN ALARM SIGNAL OVER CUSTOMER'S TELEPHONE SERVICE FOR ANY REASON INCLUDING NETWORK OUTAGE OR OTHER NETWORK PROBLEMS SUCH AS CONGESTION OR DOWNTIME, ROUTING PROBLEMS, OR INSTABILITY OF SIGNAL QUALITY. CUSTOMER UNDERSTANDS THAT OTHER POTENTIAL CAUSES OF SUCH A FAILURE OVER CERTAIN TELEPHONE SERVICES (INCLUDING BUT NOT LIMITED TO SOME TYPES OF DSL, ADSL, VOIP, DIGITAL PHONE, INTERNET PROTOCOL BASED PHONE OR OTHER INTERNET INTERFACE-TYPE SERVICE OR RADIO SERVICE, INCLUDING CELLULAR OR PRIVATE RADIO, ETC. (" NON-TRADITIONAL TELEPHONE SERVICE")) INCLUDE BUT ARE NOT LIMITED TO: (1) LOSS OF NORMAL ELECTRIC POWER TO CUSTOMER'S PREMISES (THE BATTERY BACK-UP FOR THE ALARM PANEL DOES NOT POWER TELEPHONE SERVICE); AND (2) ELECTRONICS FAILURES SUCH AS A MODEM MALFUNCTION. CUSTOMER UNDERSTANDS THAT COMPANY WILL ONLY REVIEW THE INITIAL COMPATIBILITY OF CUSTOMER'S ALARM SYSTEM WITH NON-TRADITIONAL TELEPHONE SERVICE AT THE TIME OF INITIAL CONNECTION TO COMPANY'S MONITORING CENTER AND THAT CHANGES IN CUSTOMER'S TELEPHONE SERVICE'S DATA FORMAT AFTER THE INITIAL REVIEW OF COMPATIBILITY COULD MAKE CUSTOMER'S TELEPHONE SERVICE UNABLE TO TRANSMIT ALARM SIGNALS TO COMPANY'S MONITORING CENTERS. IF COMPANY DETERMINES IN ITS SOLE DISCRETION THAT IT IS COMPATIBLE, COMPANY WILL PERMIT CUSTOMER TO USE NON-TRADITIONAL TELEPHONE SERVICE AS THE SOLE METHOD OF TRANSMITTING ALARM SIGNALS, ALTHOUGH CUSTOMER UNDERSTANDS THAT COMPANY RECOMMENDS THE USE OF AN ADDITIONAL BACK-UP METHOD OF COMMUNICATION TO CONNECT CUSTOMER'S ALARM SYSTEM TO THE MONITORING CENTER REGARDLESS OF THE TYPE OF TELEPHONE SERVICE USED. CUSTOMER ALSO UNDERSTANDS THAT IF COMPANY DETERMINES IN ITS SOLE DISCRETION THAT CUSTOMER'S NON-TRADITIONAL TELEPHONE SERVICE IS OR LATER BECOMES NON-COMPATIBLE, OR IF CUSTOMER CHANGES TO ANOTHER NON-TRADITIONAL TELEPHONE SERVICE THAT IS NOT COMPATIBLE, THEN COMPANY REQUIRES THAT CUSTOMER USE AN ALTERNATE METHOD OF COMMUNICATION ACCEPTABLE TO COMPANY AS THE PRIMARY METHOD TO CONNECT CUSTOMER'S ALARM SYSTEM TO THE MONITORING CENTER. <u>CUSTOMER UNDERSTANDS THAT TRANSMISSION OF FIRE ALARM SIGNALS BY MEANS OTHER THAN A TRADITIONAL TELEPHONE LINE MAY NOT BE IN COMPLIANCE WITH FIRE ALARM STANDARDS OR SOME LOCAL FIRE CODES, AND THAT IT IS CUSTOMER'S OBLIGATION TO COMPLY WITH SUCH STANDARDS AND CODES.</u> CUSTOMER ALSO UNDERSTANDS THAT IF THE ALARM SYSTEM HAS A LINE CUT FEATURE, IT MAY NOT BE ABLE TO DETECT IF A NON-TRADITIONAL TELEPHONE SERVICE LINE IS CUT OR INTERRUPTED, AND THAT COMPANY MAY NOT BE ABLE TO PROVIDE CERTAIN AUXILIARY MONITORING SERVICES THROUGH A NON-TRADITIONAL TELEPHONE LINE OR SERVICE. CUSTOMER FURTHER UNDERSTANDS THAT THE ALARM PANEL MAY BE UNABLE TO SEIZE THE PHONE LINE TO TRANSMIT AN ALARM SIGNAL IF ANOTHER CONNECTION IS OFF THE HOOK DUE TO IMPROPER CONNECTION OR OTHERWISE.

G. Verification; Runner Service. Some jurisdictions may require alarm verification by telephone or on-site verification (Runner Service) before dispatching emergency services. In the event that a requirement of alarm verification becomes effective after the date of this Agreement, such services may be available at an additional charge. Company shall not be held liable for any delay or failure of dispatch of emergency services arising from such verification. Where Runner Service is indicated, such services may be provided by a third party. COMPANY WILL NOT ARREST OR DETAIN ANY PERSON.

H. Personal Emergency Response Service. If Customer has selected Personal Emergency Response Services, Customer agrees that the very nature of Personal Emergency Response Services, irrespective of any delays, involves uncertainty, risk and possible serious injury, disability or death, for which Company should not under any circumstances be held responsible or liable; that the equipment furnished for Personal Emergency Response Services is not foolproof and may experience signal transmission failures or delays for any number of reasons, whether or not our fault or under Company's control; that the actual time required for medical emergency providers to arrive at the premises and/or to transport any person requiring medical attention is unpredictable and that many contributing factors, including but not limited to such things as telephone network operation, distance, weather, road and traffic conditions, alarm equipment function and human factors, both with responding authorities and with Company, may affect response

18. **Limited Warranty**. **COMPANY WARRANTS THAT ITS WORKMANSHIP AND MATERIAL, EXCLUDING MONITORING SERVICES, FURNISHED UNDER THIS AGREEMENT WILL BE FREE FROM DEFECTS FOR A PERIOD OF NINETY (90) DAYS FROM THE DATE OF FURNISHING. Where Company provides product or equipment of others, Company will warrant the product or equipment only to the extent warranted by such third party. EXCEPT AS EXPRESSLY SET FORTH HEREIN, COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES PERFORMED OR THE PRODUCTS, SYSTEMS OR EQUIPMENT, IF ANY, SUPPORTED HEREUNDER. COMPANY MAKES NO WARRANTY OR REPRESENTATION, AND UNDERTAKES NO OBLIGATION TO ENSURE BY THE SERVICES PERFORMED UNDER THIS AGREEMENT, THAT COMPANY'S PRODUCTS OR THE SYSTEMS OR EQUIPMENT OF THE CUSTOMER WILL CORRECTLY HANDLE THE PROCESSING OF CALENDAR DATES BEFORE OR AFTER DECEMBER 31, 1999**.

19. Taxes, Fees, Fines, Licenses, and Permits. Customer agrees to pay all sales tax, use tax, property tax, utility tax and other taxes required in connection with the equipment and services listed, including telephone company line charges, if any. Customer shall comply with all laws and regulations relating to the equipment and its use and shall promptly pay when due all sales, use, property, excise and other taxes and all permit, license and registration fees now or hereafter imposed by any government body or agency upon the equipment or its use. Company may, without notice, obtain any required permit, license or registration for Customer at Customer's expense and charge a fee for this service. If Customer fails to maintain any required licenses or permits, Company shall not be responsible for performing the services and may terminate the services without notice to Customer.

20. **Outside Charges.** Customer understands and accepts that Company specifically denies any responsibility for charges associated with the notification or dispatching of anyone, including but not limited to fire department, police department, paramedics, doctors, or any other emergency personnel, and if there are any charges incurred as a result of said notification or dispatch, said charges shall be the responsibility of Customer.

21. Insurance. Customer shall name Company, its officers, employees, agents, subcontractors, suppliers, and representatives as additional insureds on Customer's general liability and auto liability policies.

22. Waiver of Subrogation. Customer does hereby for itself and all other parties claiming under it release and discharge Company from and against all hazards covered by Customer's insurance, it being expressly agreed and understood that no insurance company or insurer will have any right of subrogation against Company.

23. **Force Majeure**, **Exclusions**. Company shall not be responsible for delays, interruption or failure to render services due to causes beyond its control, including but not limited to material shortages, work stoppages, fires, civil disobedience or unrest, severe weather, fire or any other cause beyond the control of Company. This Agreement expressly excludes, without limitation, provision of fire watches; reloading of, upgrading, and maintaining computer software; making repairs or replacements necessitated by reason of negligence or misuse of components or equipment or changes to Customer's premises; vandalism; power failure; current fluctuation; failure due to non-Company installation; lightning, electrical storm, or other severe weather; water; accident; fire; acts of God; testing inspection and repair of duct detectors, beam detectors, and UV/IR equipment; provision of fire watches; clearing of ice blockage; draining of improperly pitched piping; batteries; recharging of chemical suppression systems; reloading of, upgrading, and maintaining computer software; corrosion (including but not limited to micro-bacterially induced corrosion ("MIC")); cartridges greater that 16 grams; gas valve installation; or any other cause external to the Covered System(s) and Company shall not be required to provide Service while interruption of service due to such causes shall continue. This Agreement does not cover and specifically excludes system upgrades and the replacement of obsolete systems, equipment, components or parts. All such services may be provided by Company at Company's sole discretion at an additional charge. If Emergency Services are expressly included in the Service Solution, the Agreement price does not include travel expenses**.**

24. Delays. Company shall have no responsibility or liability to Customer or any other person for delays in the installation or repair of the System or the performance of our Services regardless of the reason, or for any resulting consequences.

25. Termination. Company may terminate this Agreement immediately at its sole discretion upon the occurrence of any Event of Default as hereinafter defined. Company may also terminate this Agreement at its sole discretion upon notice to Customer if Company's performance of its obligations un[der this] Agreement becomes impracticable due to obsolescence of equipment at Customer's premises or unavailability of parts.

26. No Option to Solicit. Customer shall not, directly or indirectly, on its own behalf or on behalf of any other person, business, corporation or entity, solicit or employ any Company employee, or induce any Company employee to leave his or her employment with Company, for a period of two years after the termination of this Agreement.

27. Default. An Event of Default shall include 1) any full or partial termination of this Agreement by Customer before the expiration of the then-current Term, 2) failure of the Customer to pay any amount within ten (10) days after the amount is due and payable, 3) abuse of the System or the Equipment, 4) failure by Customer to observe, keep or perform any term of this Agreement; 5) dissolution, termination, discontinuance, insolvency or business failure of Customer. Upon the occurrence of an Event of Default, Company may pursue one or more of the following remedies, 1) discontinue furnishing Services, 2) by written notice to Customer declare the balance of unpaid amounts due and to become due under the this Agreement to be immediately due and payable, provided that all past due amounts shall bear interest at the rate of 1 ½% per month (18% per year) or the highest amount permitted by law, 3) receive immediate possession of any equipment for which Customer has not paid. 4) proceed at law or equity to enforce performance by Customer or recover damages for breach of this Agreement, and 5) recover all costs and expenses, including without limitation reasonable attorneys' fees, in connection with enforcing or attempting to enforce this Agreement.

28. One-Year Limitation on Actions; Choice of Law. It is agreed that no suit, or cause of action or other proceeding shall be brought against either party more than one (1) year after the accrual of the cause of action or one (1) year after the claim arises, whichever is shorter, whether known or unknown when the claim arises or whether based on tort, Agreement, or any other legal theory. The laws of Massachusetts shall govern the validity, enforceability, and interpretation of this Agreement.

29. Assignment. Customer may not assign this Agreement without Company's prior written consent. Company may assign this Agreement without obtaining Customer's consent.

30. Entire Agreement. The parties intend this Agreement, together with any attachments or Riders (collectively the "Agreement) to be the final, complete and exclusive expression of their Agreement and the terms and conditions thereof. This Agreement supersedes all prior representations, understandings or agreements between the parties, written or oral, and shall constitute the sole terms and conditions relating to the Services. No waiver, change, or modification of any terms or conditions of this Agreement shall be binding on Company unless made in writing and signed by an Authorized Representative of Company.

31. Headings. The headings in this Agreement are for convenience only.

32. Severability. If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or in part, this Agreement will continue to be valid as to the other provisions and the remainder of the affected provision.

33. Electronic Media. Customer agrees that Company may scan, image or otherwise convert this Agreement into an electronic format of any nature. Customer agrees that a copy of this Agreement produced from such electronic format is legally equivalent to the original for any and all purposes, including litigation. Customer agrees that Company's receipt by fax of the Agreement signed by Customer legally binds Customer and such fax copy is legally equivalent to the original for any and all purposes, including litigation.

34. Legal Fees. Company shall be entitled to recover from the Customer all reasonable legal fees incurred in connection with Company enforcing the terms and conditions of this Agreement.

35. License Information (Security System Customers): AL Alabama Electronic Security Board of Licensure 7956 Vaughn Road, PMB 392, Montgomery, Alabama 36116 (334) 264-9388: AR Regulated by: Arkansas Board of Private Investigators and Private Security Agencies, #1 State Police Plaza Drive, Little Rock 72209 (501)618-8600: CA Alarm company operators are licensed and regulated by the Bureau of Security and Investigative Services, Department of Consumer Affairs, Sacramento, CA, 95814. Upon completion of the installation of the alarm system, the alarm company shall thoroughly instruct the purchaser in the proper use of the alarm system. Failure by the licensee, without legal excuse, to substantially commence work within 20 days from the approximate date specified in the agreement when the work will begin is a violation of the Alarm Company Act: NY Licensed by the N.Y.S. Department of the State: TX Texas Commission on Private Security, 5805 N. Lamar Blvd., Austin, TX 78752-4422, 512-424-7710. License numbers available at www.simplexgrinnell.com or contact your local SimplexGrinnell office.

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE: **August 11, 2015**

DEPARTMENT: **Engineering**

FROM: **Karen Heyrman**

SUBJECT: **Consider Award of Project 15-14 City Sign***

The Engineering Department received bids for Project 15-14 City Sign on July 30, 2015. This project involves fabrication and construction of a new sign and demolition of the existing sign.

Background

The existing City sign located along USH 41 is no longer operational. A new sign was approved in the 2013 budget by the City Common Council. The sign will be located approximately 200' north of the existing sign in order to provide more developable land within TID 8.

The City contracted with Jones Sign to complete the design plan for a new sign. The bid includes this design plan, as well as the permitting, electrical, and demolition of the existing sign.

Summary

The bids received are as follows:

Bidder	Amount
Jones Sign	$79,125.00
Creative Sign Company	$87,987.00
Graphic House	$144.472.67

The staff recommendation is to award the bid to Jones Sign in the amount of $79,125.00. The budgeted amount from TID #8 was $75,000. The City has expended $3,240 for the design previously completed by Jones Sign.

ATTACHMENTS:

- 15-14 Bid Tab(PDF)

PROJECT 15-14 City Sign

BID TAB

		BIDDER NO. 1	BIDDER NO. 2	BIDDER NO. 3
		Jones Sign	**Creative Sign Company**	**Graphic House**
ITEM	**SIGN BREAKOUT PRICING**	**FABRICATION COST**	**FABRICATION COST**	**FABRICATION COST**
SP-01	Main ID	$17,608.46	$8,000.00	$50,523.18
SP-02	Channel Letters	$5,159.93	$23,000.00	$11,195.45
SP-03	Secondary Cabinets	$14,884.39	$6,000.00	$21,333.51
SP-04	Pole Cover	$24,926.17	$18,000.00	$23,925.18
	SUBTOTAL	**$62,578.95**	**$55,000.00**	**$106,977.32**
ITEM	**INSTALL BREAKOUT PRICING**	**INSTALLATION COST**	**INSTALLATION COST**	**INSTALLATION COST**
SP-05	Foundation	$2,606.53	$18,000.00	$8,160.00
SP-06	Installation	$2,835.65	$4,000.00	$9,300.00
SP-07	Electrical Service Meter Breaker Pedestal (City Sign)	$3,935.25	$1,000.00	$6,600.00
	SUBTOTAL	**$9,377.43**	**$23,000.00**	**$24,060.00**
ITEM	**GENERAL CONDITIONS**	**GENERAL CONDITIONS COST**	**GENERAL CONDITIONS COST**	**GENERAL CONDITIONS COST**
SP-08	Permit Fees	$0.00	$0.00	$0.00
SP-09	Permit Procurement	$0.00	$0.00	$0.00
SP-10	Project Management	$0.00	$0.00	$0.00
SP-11	Shipping	$987.72	$0.00	$0.00
SP-12	Mobilizations	$101.27	$0.00	$2,603.60
	SUBTOTAL	**$1,088.99**	**$0.00**	**$2,603.60**
ITEM	**DEMOLITION BREAKOUT PRICING**	**DEMOLITION COST**	**DEMOLITION COST**	**DEMOLITION COST**
SP-13	Site Demolition	$1,541.41	$3,000.00	$2,800.00
SP-14	Site Clearing	$413.22	$2,400.00	$500.00
	SUBTOTAL	**$1,954.63**	**$5,400.00**	**$3,300.00**
	SALES TAX	$4,125.00	$4,587.00	$7,531.75
	SIGN BASE BID TOTAL	**$79,125.00**	**$87,987.00**	**$144,472.67**

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE:	**August 11, 2015**
DEPARTMENT:	**Parks, Recreation & Forestry**
FROM:	**Marty Kosobucki**
SUBJECT:	**Approve emergency funding to repair Riverwalk Bridge. ***

Issue: Approve expense of $4300 to repair Riverwalk Scissors Bridge.

Summary: We were informed by the Fox River Navigation System Authority that our scissors bridge was "jumping" as it was being operated. The jumping is caused by significant temperature changes that affects the hydraulic system and lines. This type of problem has occurred in the past on a couple of occasions, with the last event about two years ago. In discussing the issue with Janke Construction (constructed the Scissors Bridge), they feel installing a special valve to automatically regulate the hydraulic pressure would be the best resolution. Because the bridge needs to be operated on a daily basis by the FRNSA and we could not allow the bridge to "jump", a decision was made to make the repairs immediately.

ATTACHMENTS:

- JANKE (PDF)

Janke General Contractors, Inc.

1223 River View Lane
Athens, WI 54411

Invoice

Date	Invoice #
7/23/2015	269

Bill To	Ship To
City of De Pere Marty Kosobucki 925 S. Sixth Street De Pere, WI 54115	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			7/23/2015			

Quantity	Item Code	Description	Price Each	Amount
1	Construction	Part for the Lift Bridge	4,300.00	4,300.00
			Total	$4,300.00

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE: **August 11, 2015**

DEPARTMENT: **Finance/Personnel Committee**

FROM: **Lawrence Delo**

SUBJECT: **Review of Preliminary 2014 Audit Results.***

ATTACHMENTS:

- Draft 2014 City of De Pere ML (PDF)
- Draft 2014 City of De Pere FS (PDF)

DRAFT

MANAGEMENT COMMUNICATIONS

CITY OF DE PERE, WISCONSIN

DECEMBER 31, 2014

DRAFT

CITY OF DE PERE, WISCONSIN
December 31, 2014

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To the City Council
City of De Pere
De Pere, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of De Pere, Wisconsin (the "City") for the year ended December 31, 2014. The City's financial statements, including our report thereon dated _______, 2015, are presented in a separate audit report document. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted Auditing Standards

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

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our correspondence about planning matters.

Significant Audit Findings

Consideration of Internal Control

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. Our report on internal control over financial reporting and on compliance and other matters is presented on pages 57 – 58 of the annual report.

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 material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not 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 and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the following deficiencies in the City's internal control to be significant deficiencies:

Finding 2014-001	Preparation of Annual Financial Report
Finding 2014-002	Adjustments to the City's Financial Records
Finding 2014-003	Capital Asset Additions and Disposals

These findings are described in detail in the schedule of findings and responses on pages 59 - 60 of the annual report.

The City's written response to the significant deficiencies identified in our audit has not bee subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of 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 A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. To the best of our knowledge, all significant transactions have been recognized in the financial statements in the proper period.

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 included in the financial statements were:

> Management's estimate of the depreciable life of the capital assets is based upon analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of accumulated sick leave is based upon analysis of the employees sick leave balance. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements take as a whole.

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

Difficulties Encountered in Performing the Audit

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

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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. The financial statements reflect all accounting adjustments proposed during our audit. Copies of the audit adjustments are available from management.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated ________, 2015. The management representation letter follows this communication.

Management Consultations with Other Independent Accountants

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

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. However, these discussions occurred in the normal course of our professional relationship and, to the best of our knowledge, our responses were not a condition to our retention.

In addition, during our audit, we noted certain other matters that are presented for your consideration. We will review the status of these comments during our next audit engagement. Our comments and recommendations are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these matters in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the comments and observations section of this report.

Other Matters

We applied certain limited procedures to the management discussion and analysis, the schedule of funding progress and the schedule of employer contributions, which is 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.

We were engaged to report on the supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, 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.

DRAFT

Restriction on Use

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

Sincerely,

Certified Public Accountants
Green Bay, Wisconsin
__________, 2015

SUMMARY FINANCIAL INFORMATION

DRAFT

GENERAL CITY

1. Governmental Fund Balances

Presented below is a summary of the City's governmental fund balances on December 31, 2014 and 2013. This information is provided for assessing financial results for 2014 and for indicating financial resources available at the start of the 2015 budget year.

	12/31/14	12/31/13
General Fund		
Nonspendable for		
Inventories and prepaid items	$ 289,045	$ 306,397
Special assessments held by County	79,362	79,072
Advances to other funds	60,000	60,000
Restricted for		
Recreation scholarship	20,427	17,874
Committed for		
Subsequent years' expenditures	106,371	217,038
Unassigned	5,178,764	5,114,442
Total General Fund Balance	5,733,969	5,794,823
Debt Service Fund		
Restricted for debt service	2,618,568	667,870
Special Revenue Funds		
Restricted for		
Loans	1,258,617	1,060,923
Park land acquisition	83,102	66,406
Committed for		
Subsequent years' expenditures		
Dog Park	15,239	14,808
Riverwalk Pier	50,377	65,589
Unassigned		
Cable Access	(18,592)	(1,941)
Total Special Revenue Funds	1,388,743	1,205,785
Capital Projects Funds		
Restricted for		
TID No.5	-	187,431
TID No.6	641,328	1,922,118
TID No.7	1,144,217	1,092,107
TID No.8	1,214,078	1,512,478
TID No.9	-	204,710
TID No.10	65,449	436,042
Committed for		
Subsequent years' expenditures		
Public Improvements	2,380,932	2,714,985
Capital Equipment	93,528	399,415
Community Center	3,672	3,475
Police/Fire Expansion	2,932	2,932
Unassigned		
TID No.5	(109,714)	-
TID No.9	(69,591)	-
Total Capital Projects Funds	5,366,831	8,475,693
Total Governmental Fund Balances	$ 15,108,111	$ 16,144,171

Comments on specific accounts and funds included in the above governmental funds are presented in the following comments.

DRAFT

1. **Governmental Fund Balances (Continued)**

General Fund
In total, the City's general fund decreased $60,854 in 2014. This compares favorably to the budgeted decrease of $280,114. Overall, the City's general fund balance continues to remain in stable financial condition entering the 2015 budget year. Additional information on various components of the City's general fund balance follows:

General Fund Minimum Fund Balance Policy
The City Council adopted a minimum unassigned general fund balance policy of 25% of the subsequent year General Fund budgeted expenditures. The purpose of the minimum fund balance amount is to ensure there are available cash funds for operating purposes and to segregate that portion of the general fund that is not available for current transfer or appropriation. On December 31, 2014, the City's unassigned general fund balance totaled $5,178,764 and was higher than 25% of the 2015 budgeted expenditures which totaled $4,081,359. Furthermore, the Council approved a policy whereby the unassigned reserve account should maintain a balance between 25% and 35% of the subsequent year General Fund budgeted expenditures; 35% of 2015 budgeted expenditures amounted to $5,713,903.

Debt Service Fund
At December 31, 2014, the City has available resources of $2,618,568 in its debt service fund of which the entire balance is restricted to retire debt. Included in the total is $1,831,576 of debt proceeds received for a refunding debt payment due in January of 2015.

2. **Tax Incremental Districts**

The City maintains separate accounting funds for each Tax Incremental Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements.

Information on the City's six tax incremental districts on December 31, 2014 is presented below:

	TID 5	TID 6	TID 7	TID 8	TID 9	TID 10
Date created	8/26/1996	3/18/1998	1/1/2007	1/1/2007	8/13/2012	8/13/2012
Latest termination year	2033	2021	2033	2027	2039	2032
Location	West Side Downtown	West Side Industrial Park	East Downtown Business District	West Side Commercial Development	West Downtown Business District	East Side Industrial Park
Status	Recipient	Donor	-	-	-	-
Fund balance at year end	$ (109,714)	$ 641,328	$ 1,144,217	$ 1,214,078	$ (69,591)	$ 65,449
Net unreimbursed cost	$ 5,565,353	$ 1,495,575	$ 1,981,472	$ 2,482,302	$ 820,782	$ 484,887
2014 Tax increment	$ 910,290	$ 1,595,397	$ -	$ -	$ 1,495	$ 42,608
2015 Tax increment	$ 859,975	$ 1,792,174	$ -	$ 221,328	$ 38,732	$ 55,554
Outstanding debt due	$ 2,395,957	$ 6,734,117	$ 2,442,856	$ 3,371,618	$ 795,000	$ 600,000
Advances from (to) City	$ 3,059,682	$ (4,633,214)	$ 682,833	$ 324,762	$ (43,809)	$ (49,664)

Wisconsin Statutes require periodic compliance audits of tax incremental districts to be completed over the life of the TID. Audits of TID 5 and TID 6 are scheduled to be completed later this year.

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3. Employees Medical Self-Insurance Funds

The City utilizes two separate self-insurance internal service funds to account for health and dental claims of City employees. The funds are financed from monthly insurance premiums charged to City employees. During 2014 and in prior years the monthly health insurance premiums were generally financed at 85% by the City with City employees contributing the remaining 15%.

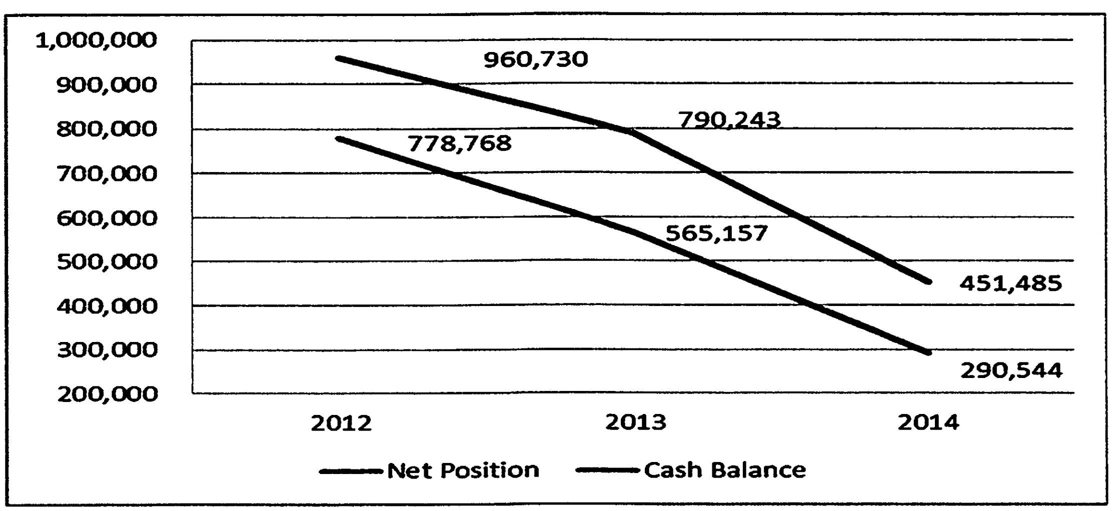
Presented below is a summary of each fund's financial transactions for 2014 including comparative totals of the health and dental funds for 2013.

	Health Self-Insurance		Dental Self-Insurance	
	2014	2013	2014	2013
Revenues				
Charges for employees medical and dental insurance premiums	$ 2,548,698	$ 2,811,704	$ 126,036	$ 122,668
Expenses				
Employees health and dental claims	2,182,003	2,532,554	120,101	110,917
Administrative fees	641,420	492,893	7,662	8,163
Total Expenses	2,823,423	3,025,447	127,763	119,080
Operating Income (Loss)	(274,725)	(213,743)	(1,727)	3,588
Nonoperating Revenues				
Interest revenue	112	132	-	-
Change in Net Position	(274,613)	(213,611)	(1,727)	3,588
Net Position - January 1	565,157	778,768	47,080	43,492
Net Position - December 31	$ 290,544	$ 565,157	$ 45,353	$ 47,080

Specific comments applicable to the above self-insurance funds follow:

The "key" component of an internal service fund is operating income since operating revenues should approximate operating expenses on an annual basis. For 2014, the health fund showed operating loss of $274,725 compared to an operating loss of $213,743 in 2013. The dental insurance fund showed an operating loss of $1,727 in 2014 compared to an operating income of $3,588 in 2013.

Below is a chart illustrating the decrease in fund balance and cash in the Health Self-Insurance fund over the past 3 years, we recommend the City analyze current charges to determine if current rates are sufficient to meet operations expenses and cash flow needs. The City implemented a 6.99% increase in rates in 2015.



WATER UTILITY

DRAFT

In accordance with generally accepted accounting principles, the Water Utility's financial transactions are recorded in an enterprise fund on the City's financial statements. Enterprise fund accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Financial analyses and comments pertaining to the operations of the Water Utility follow:

Income Account

The Water Utility reported an increase in net position of $347,497 for the year ended December 31, 2014 compared to an increase of $794,904 for the year ended December 31, 2013.

	2014	2013
Operating Revenues		
Metered sales	$ 4,428,939	$ 4,516,189
Fire protection	1,370,657	1,358,438
Other	346,307	381,859
Total Operating Revenues	6,145,903	6,256,486
Operating Expenses		
Operation and maintenance	4,652,458	4,447,311
Depreciation	560,434	527,749
Taxes	49,076	44,358
Total Operating Expenses	5,261,968	5,019,418
Operating Income	883,935	1,237,068
Nonoperating Revenues (Expenses)		
Interest and fiscal charges	(99,108)	(109,816)
Income before Contributions and Transfers	784,827	1,127,252
Capital contributions	-	117,170
Transfers out	(437,330)	(449,518)
Change in Net Position	$ 347,497	$ 794,904

The last water rate increase implemented in 2011 established a rate of return of 6.5%. In 2014, the City's rate of return calculated to 4.03%. Although the Water Utility was able to generate a positive rate of return, it has not been able to accumulate sufficient available cash to finance all capital additions and replacement projects. At year end, the cash balance was $45,606. The Water Utility anticipates receiving a portion of the 2015 debt proceeds to provide reimbursement for recent capital additions, as well as, planned future capital expenditures.

WASTEWATER UTILITY

DRAFT

In accordance with generally accepted accounting principles, the Wastewater Utility's financial transactions are recorded in an enterprise fund on the City's financial statements. Enterprise fund accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Financial analyses and comments pertaining to the operations of the Wastewater Utility follow:

Income Account

The Wastewater Utility reported an increase in net position of $332,174 for the year ended December 31, 2014 compared to an increase of $202,024 for the year ended December 31, 2013.

	2014	2013
Operating Revenues		
Measured sales	$ 4,755,100	$ 3,688,533
Other	3,292,943	4,375,606
Total Operating Revenues	8,048,043	8,064,139
Operating Expenses		
Operation and maintenance	6,900,026	7,094,625
Depreciation	546,376	497,353
Total Operating Expenses	7,446,402	7,591,978
Income before Contributions and Transfers	601,641	472,161
Transfers out	(269,467)	(270,137)
Change in Net Position	$ 332,174	$ 202,024

As of December 31, 2014 the Wastewater Utility owed the general fund $1,011,230 for operating purposes, which was an increase of $167,979 from the amount owed a year earlier. For the past three years, rates for services have not been sufficient to finance operating expenses and other uses. The City has increased rates each year with the last rate increase implemented in 2015.

STORMWATER UTILITY

DRAFT

Financial analyses and comments pertaining to the operations of the Stormwater Utility follow:

Income Account

The Stormwater Utility reported an increase in net position of $142,556 for the year ended December 31, 2014 compared to an increase of $121,591 for the year ended December 31, 2013.

	2014	2013
Operating Revenues		
Charges for services	$ 1,221,174	$ 1,117,421
Operating Expenses		
Operation and maintenance	729,798	698,197
Depreciation	348,820	297,633
Total Operating Expenses	1,078,618	995,830
Change in Net Position	$ 142,556	$ 121,591

At year end, available cash of the Stormwater Utility totaled $832,398.

STATUS OF PRIOR YEAR COMMENTS AND RECOMMENDATIONS

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The following comments and observations have been discussed in prior year management letters. Although progress has been made, the recommendations have not yet been fully implemented. Since complete implementation of the recommendations has not been made, we recommend the City develop a specific timetable for implementation, including identifying persons responsible for implementation, for each recommendation. Presented below is a summary of prior year comments along with any current status.

1. Capital Assets Records

In response to our prior year comments the city purchased capital asset software in the beginning of 2015, but had not implemented it for the year ended December 31, 2014.

With the installation and implementation of the automated fixed asset accounting system in 2015, the City should develop written procedures, including responsibilities of specific City departments. The procedures should detail the following:

- Designate a City Employee to be responsible for updating additions and removals of assets that are purchased or constructed.
- Timing of recording of asset additions.
- Transfer of information from the City Engineer.
- Timeframe on when year-end closing is to be completed

MANAGEMENT'S RESPONSE: The City Clerk-Treasurer has been designated as the individual responsible for updating additions and removals in our capital assets recordkeeping system. The City purchased the software from the auditor files in spring of 2015 and will be loading the December 31, 2014 asset information the summer of 2015. The City will record additions and removals monthly based on purchase information and City engineer records. The City expects December 31, 2015 capital asset detail to be completed by February 28, 2016.

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2. Journal Entries for Allocation of Project Expenditures

The City incurs expenditures for various infrastructure projects each year. The infrastructure projects are generally funded with long-term debt proceeds and often include street construction and reconstruction, water main installation, sanitary sewer installation and storm sewer installation costs. Also, some of the projects or part of the projects may be eligible project expenditures in one of City's tax incremental districts. For many of the projects, the City allocates a portion of the engineering department's cost to arrive at a total project cost for accounting purposes.

Present procedures are for the City Finance Director to generally record lump-sum progress payments to one account on the City records. At a subsequent date, the projects are allocated, as appropriate, to the streets, water utility, sanitary sewer utility, storm sewer utility and/or tax incremental district, if applicable. During our audit, we noted that journal entries for the allocation of these expenditures are not always completed on a timely basis. In many cases, entries are made after year end to properly record the final project costs. Also, we noted that proceeds of long-term debt are not initially recorded in the fund where the debt will ultimately be recorded. But instead they are recorded in a temporary fund and reallocated at a later date. With this process, interim financial reports and account balances produced during the year do not always contain the most up-to-date financial information.

Accordingly, we recommend the City review the current procedures for recording costs of infrastructure projects and long-term proceeds and determine the feasibility of revising the procedures to provide for more timely allocation of costs and debt proceeds to the proper accounting fund. In our opinion, the City could consider allocating costs with the receipt of the final contractor invoice and, also, including any reimbursement of City-related costs at the same time. At the same time addition and removals to the infrastructure capital assets records could also be determined and retained for recording on the government-wide financial statements and inclusion in the annual report for the water utility as required by the Public Service Commission of Wisconsin.

During the current year little progress was made with the allocation of project expenditures prior to the audit. Final 2014 infrastructure costs were not determined until June of 2015. We recommend that the finance director and public works personnel complete this once a project has been completed and final payment is made to the contractor therefore all of the expenditures will be allocated, recorded, and scheduled out on worksheets before the audit begins. Furthermore, retirements of assets replaced should be removed from the City's general ledger soon after the project is completed.

MANAGEMENT'S RESPONSE: The Finance and Engineering Departments will be closing out each public works project as final payment is processed in 2015. This will enable the City to charge the proper fund for each public works project as it is completed. The capital asset information will then be given to the Clerk-Treasurer to record in our capital assets software.

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3. **Reconciliation of Special Assessment Records**

The City maintains their Special Assessment receivables on excel spreadsheets in the Finance department. All principal and interest collections are recorded as well as any approved adjustments. While these records are maintained properly they are not completely reconciled to the City's general ledger. Specific information included in the records is compared to the general ledger, but a comparison of the ending balance is not completed.

We recommend the City to review the current procedures for maintaining special assessment records and begin comparing and reconciling the receivable balances to the general ledger on a monthly basis, and the yearly reconciliation should be completed no later than January of the succeeding year.

During the current year our recommendations were not implemented.

MANAGEMENT'S RESPONSE: The Finance department will make monthly journal entries so the applicable receivable/deferred revenue accounts reconcile and balance throughout the year.

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CURRENT YEAR COMMENTS AND RECOMMENDATIONS

1. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*

In June, 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, revising and establishing new financial reporting requirements for governments that provide their employees with pension benefits. The new standard recognizes pension costs as employment services are provided, rather than when the pensions are funded. This change in the pension liability calculation could have a material impact on net position for many governments. Statement No. 68 is effective for fiscal years beginning after June 15, 2014.

Other significant changes from previous reporting requirements (GASB 27) include:

- Coordination of the actuarial valuation date and the measurement date;
- Stricter guidance on the selection and calculation of the discount rate;
- Required use of the entry age normal actuarial cost method;
- Some changes in pension liabilities will be reported as deferred outflows/inflows of resources;
- Required supplementary information, with ten years of trend information developed over time;
- Expanded note disclosures

This new standard is also applicable to the Wisconsin Retirement System ("WRS"). It is our understanding that the WRS is well aware of the impact of these new standards and is planning to provide participants with detailed supplementary information that will be needed to complete the footnote disclosures in City's audited financial statements. At this time, we are not aware of any action that is required by the City.

This comment is for informational purposes.

2. Budget Observations

General Fund

During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.

Furthermore, the City approves non-lapsing funds that are carried over to the subsequent year and used for that budget year. In addition the City has the authority to amend their budget during the year through a formal process of City Council action. Currently the City enters the original budget into their accounting software but does not enter the non-lapsing carryovers or any budget amendments into their accounting software.

We recommend that the City finance department enter the non-lapsing carryovers as well as any budget amendments into their accounting software, as an amended budget, when they occur.

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2. **Budget Observations (Continued)**

Utility Operations

Cash flows of the Water Utility and Wastewater Utility are generally separated into the following three main categories: operating revenues and expenses, debt service payments capital asset purchases. While the Water Utility and Wastewater Utility have generally been able to generate positive cash flows from operating transactions, negative cash flows from capital asset purchases and debt service, when applicable, have resulted in negative total cash flows of both utilities in 2014.

The Water Utility experienced negative cash flows of $745,673 in 2014, while the Wastewater Utility reported negative cash flows of $317,979. The Water Utility incurred costs of over $1.5 million for capital purchases, significantly more than prior years. The Wastewater Utility continues to experience annual cash deficits from capital asset costs exceeding available funds. Cash balances (deficits) of each utility amounted to the following on December 31, 2014:

Water Utility	$ 45,606
Wastewater Utility	$(1,011,230)

While it is certainly recognized that enterprises funds, like City utilities, can experience negative cash flows when large capital purchases or replacement projects are undertaken. Generally, these projects do not occur every year and are the result of the utility accumulating cash over a number of years to finance the cost. Normally, utility funds are expected to maintain positive cash balances over the years. We are aware that the City intends to allocate a portion of future debt proceeds to the above utilities to restore cash spent on 2014 capital asset purchases to improve their respective cash positions.

Accordingly, we recommend the City develop cash flow analyses for each utility with each annual budget that estimates the capital asset costs for the year and determines the source of financing of the capital costs. The budgets may disclose that the City will be required to allocate more debt proceeds to the utilities to finance all capital asset purchases and replacement costs.

MANAGEMENT'S RESPONSE: The Finance department will now post the non-lapsing carryover budget amounts and other Council authorized budget amendments into our financial software for 2015 as they occur rather than providing the information to the auditors at the end of the year.

The City is planning to borrow money in late 2015 for the water and wastewater funds for the purchase of meters that started at the end of 2013. The total budgeted amount for meter purchases is $3,000,000 and is split evenly between the two funds. This will cover the costs that have already been incurred as well as future costs and restore each fund for the meter exchange program. The City also reviews the rates for the wastewater funds annually for normal operations prior to setting new rates and will be looking at submitting a water rate case study in 2016 for PSC approval. The City will implement the preparation of a cash flow analysis for utility operations and capital costs with the 2016 budget.

3. Comments and Observations from Departmental Review of the Finance Department

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As part of our annual audit contract, we completed a more detailed review of the specific financial procedures in the City Finance Department. As a result of that review, we noted the following items that, we believe, the City should consider changes to provide additional internal accounting controls or otherwise improve procedures and policies:

1. Provide for a monthly review of the bank and investment reconciliation. The review should be completed by a specific date each month and include a timely resolution of differences and a sign-off of completion, including date of completion.
2. Provide for a separation of payroll information by requiring all pay rate changes or additions be entered into the payroll system by the Human Resources department or the Clerk-Treasurer's office personnel. If possible, system controls should be installed to "not allow" Finance Department personnel to change or add pay rates to the system.
3. Final payroll checks to retiring or departing employees often include accrued sick leave pay, earned vacation pay and compensatory time. The calculation of the check is currently completed by the payroll clerk. For internal control purposes, the inclusion of and calculation of the various pay amounts should be reviewed by the Finance Director. The review should include a sign-off of approval.
4. Enter additional receivables and invoices into the Accounts Receivable system maintained in the automated accounting system. Specifically, the following invoices/receivables should be reviewed for entry into the system: Property damage claims, delinquent personal property taxes, water department invoices for miscellaneous services.
5. Provide unpaid receivable reports to applicable City departments each month to inform them of unpaid amounts and to enforce collection where appropriate.
6. In order to separate depositing from the receipting and accounting functions, review for the feasibility of having deposits being picked up by the bank or other outside courier.

MANAGEMENT'S RESPONSE: The Finance Department will include a formal investment reconciliation in our department monthly procedures. We presently reconcile cash balances on a monthly basis. We concur with separating payroll rate change information and that it should be entered into the payroll system by Human Resources. We have now implemented the system for reviewing final payroll checks as stated above. This started in May, 2015 and now includes sign-off by the Finance Director. The Finance department will review the items mentioned in comment #4 and #5 to see if it is cost efficient to include in our Accounts Receivable system; and we will now provide departments with this information on a monthly basis to enforce more efficient collection. We will review our cash deposit procedures to see if it is feasible/efficient to have them picked up by the bank since deposits come to Finance throughout the course of the day.

The City intends to utilize Schenck to work with the City Administrator to complete quarterly reviews to benchmark the status of implementation of the recommendations.

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APPENDIX

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CITY OF DE PERE, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2014

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CITY OF DE PERE, WISCONSIN
December 31, 2014

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CITY OF DE PERE, WISCONSIN
December 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of De Pere, 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 De Pere, Wisconsin ("the City") as of and for the year ended December 31, 2014, 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 of America; 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.

Auditors' 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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the City'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 City'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 as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages x through x be presented to supplement the basic financial statements. Such information, although not 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 of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary 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 of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Summarized Financial Information

We have previously audited the City of De Pere's 2013 financial statements, and our report dated June 11, 2014, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _________, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Certified Public Accountants
Green Bay, Wisconsin
_________, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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BASIC FINANCIAL STATEMENTS

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CITY OF DE PERE, WISCONSIN
Statement of Net Position
December 31, 2014
(With summarized financial information as of December 31, 2013)

	Governmental Activities	Business-type Activities	Totals 2014	Totals 2013
ASSETS				
Cash and investments	$ 12,231,676	$ 878,004	$ 13,109,680	$ 18,400,074
Receivables				
Taxes	14,474,146	-	14,474,146	13,466,598
Accounts	402,730	3,581,899	3,984,629	3,753,137
Special assessments	1,055,772	-	1,055,772	943,233
Loans	445,764	-	445,764	626,386
Other	-	143,141	143,141	206,251
Internal balances	1,193,206	(1,193,206)	-	-
Due from other governments	-	2,086,305	2,086,305	2,246,790
Inventories and prepaid items	289,045	25,001	314,046	515,943
Restricted assets				
Cash and investments	2,618,568	-	2,618,568	817,870
Capital assets, nondepreciable				
Land	8,444,598	53,207	8,497,805	8,321,686
Capital assets, depreciable				
Land improvements	5,849,781	-	5,849,781	5,804,348
Buildings and improvements	11,301,100	892,181	12,193,281	11,863,288
Machinery and equipment	10,035,123	5,471,704	15,506,827	14,471,028
Infrastructure	70,054,144	58,545,075	128,599,219	126,346,505
Less: Accumulated depreciation	(43,490,613)	(21,731,544)	(65,222,157)	(62,903,641)
TOTAL ASSETS	94,905,040	48,751,767	143,656,807	144,879,496
LIABILITIES				
Accounts and claims payable	988,117	1,076,509	2,064,626	3,509,374
Accrued and other current liabilities	675,466	603,825	1,279,291	1,000,616
Due to other governments	876	-	876	2,890
Accrued interest payable	109,214	7,430	116,644	176,606
Unearned revenue	221,246	-	221,246	5,210
Long-term obligations				
Due within one year	5,647,802	300,000	5,947,802	3,995,000
Due in more than one year	30,820,387	2,295,258	33,115,645	35,231,484
TOTAL LIABILITIES	38,463,108	4,283,022	42,746,130	43,921,180
DEFERRED INFLOWS OF RESOURCES				
Property taxes	14,171,238	-	14,171,238	13,393,454
NET POSITION				
Net investment in capital assets	29,611,331	40,890,623	70,501,954	66,798,214
Restricted for				
Loans	1,704,380	-	1,704,380	1,687,308
Park land acquisition	83,102	-	83,102	66,406
Recreation scholarship	20,427	-	20,427	17,874
Debt service	793,568	-	793,568	667,870
Unrestricted	10,057,886	3,578,122	13,636,008	18,327,190
TOTAL NET POSITION	$ 42,270,694	$ 44,468,745	$ 86,739,439	$ 87,564,862

The notes to the basic financial statements are an integral part of this statement.

Attachment: Draft 2014 City of De Pere FS (3792 : Review of Preliminary 2014 Audit Results.*)

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CITY OF DE PERE, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General government	$ 1,940,204	$ 268,296	$ -	$ -
Public safety	8,556,381	1,275,768	125,711	-
Public works	8,186,513	874,230	1,183,589	662,419
Sanitation	783,948	-	102,581	-
Health and human services	362,770	6,824	54,666	-
Culture and recreation	2,663,195	527,255	2,229	73,100
Conservation and development	504,092	22,318	-	135,000
Interest on debt	1,228,062	68,047	-	-
Total Governmental Activities	24,225,165	3,042,738	1,468,776	870,519
Business-type Activities				
Water utility	5,401,489	5,919,744	-	-
Wastewater treatment	8,262	-	-	-
Wastewater collection	7,502,535	8,048,043	-	-
Stormwater utility	1,086,749	1,221,174	-	-
Total Business-type Activities	13,999,035	15,188,961	-	-
Total	$ 38,224,200	$ 18,231,699	$ 1,468,776	$ 870,519

General revenues
- Taxes
  - Property taxes, levied for general purposes
  - Property taxes, levied for debt service
  - Property taxes, levied for capital projects
  - Property tax increments
  - Other taxes and franchise fees
- Federal and state grants and other contributions not restricted to specific functions
- Interest and investment earnings
- Miscellaneous

Transfers
- Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

The notes to the basic financial statements are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals 2014	Totals 2013
$ (1,671,908)	$ -	$ (1,671,908)	$ (1,344,473)
(7,154,902)	-	(7,154,902)	(6,935,390)
(5,466,275)	-	(5,466,275)	(4,574,351)
(681,367)	-	(681,367)	(534,138)
(301,280)	-	(301,280)	(176,995)
(2,060,611)	-	(2,060,611)	(1,725,346)
(346,774)	-	(346,774)	(2,971,732)
(1,160,015)	-	(1,160,015)	(1,244,375)
(18,843,132)	-	(18,843,132)	(19,506,800)
-	518,255	518,255	950,826
-	(8,262)	(8,262)	(32,736)
-	545,508	545,508	427,621
-	134,425	134,425	115,749
-	1,189,926	1,189,926	1,461,460
(18,843,132)	1,189,926	(17,653,206)	(18,045,340)
7,751,706	-	7,751,706	7,694,170
1,500,164	-	1,500,164	1,353,278
1,591,936	-	1,591,936	1,441,276
2,553,529	-	2,553,529	2,504,649
513,388	-	513,388	347,443
2,046,092	-	2,046,092	2,046,135
85,584	-	85,584	70,803
559,225	226,159	785,384	598,607
706,797	(706,797)	-	-
17,308,421	(480,638)	16,827,783	16,056,361
(1,534,711)	709,288	(825,423)	(1,988,979)
43,805,405	43,759,457	87,564,862	89,553,841
$ 42,270,694	$ 44,468,745	$ 86,739,439	$ 87,564,862

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CITY OF DE PERE, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2014
(With summarized financial information as of December 31, 2013)

	General	Debt Service	Capital Projects - Public Improvements	TID No.6
ASSETS				
Cash and investments	$ 4,777,752	$ -	$ 2,353,589	$ 641,869
Receivables				
Taxes	7,934,845	1,657,282	972,980	1,792,174
Accounts	373,248	-	-	-
Special assessments	76,305	-	979,467	-
Loans	-	-	-	-
Due from other funds	1,321,514	-	-	-
Advance to other funds	60,000	-	-	-
Inventories and prepaid items	289,045	-	-	-
Restricted assets				
Cash and investments	-	2,618,568	-	-
TOTAL ASSETS	$ 14,832,709	$ 4,275,850	$ 4,306,036	$ 2,434,043
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 513,984	$ -	$ 340,613	$ 541
Accrued and other current liabilities	674,753	-	-	-
Due to other funds	-	-	-	-
Due to other governments	876	-	-	-
Unearned revenues	5,210	-	-	-
Total Liabilities	1,194,823	-	340,613	541
Deferred Inflows of Resources				
Property taxes	7,903,917	1,657,282	701,000	1,792,174
Special assessments	-	-	883,491	-
Loans receivable	-	-	-	-
Total Deferred Inflows of Resources	7,903,917	1,657,282	1,584,491	1,792,174
Fund Balances				
Nonspendable for				
Inventories and prepaid items	289,045	-	-	-
Special assessments	79,362	-	-	-
Advances to other funds	60,000	-	-	-
Restricted for				
Debt service	-	2,618,568	-	-
Loans	-	-	-	-
Recreation scholarship	20,427	-	-	-
Park land acquisition	-	-	-	-
Capital outlay	-	-	-	641,328
Committed for				
Subsequent years' expenditures	106,371	-	-	-
Capital outlay	-	-	2,380,932	-
Unassigned				
General fund	5,178,764	-	-	-
Special revenue funds	-	-	-	-
Total Fund Balances	5,733,969	2,618,568	2,380,932	641,328
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 14,832,709	$ 4,275,850	$ 4,306,036	$ 2,434,043

(Continued)

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Other Governmental	Total Governmental Funds 2014	Total Governmental Funds 2013
$ 3,985,018	$ 11,758,228	$ 15,881,432
2,116,865	14,474,146	13,466,598
29,482	402,730	472,055
-	1,055,772	943,233
445,764	445,764	626,386
-	1,321,514	1,107,634
-	60,000	60,000
-	289,045	306,397
-	2,618,568	667,870
$ 6,577,129	$ 32,425,767	$ 33,531,605
$ 55,428	$ 910,566	$ 1,795,179
713	675,466	671,975
225,044	225,044	26,858
-	876	3,817
-	5,210	5,210
281,185	1,817,162	2,503,039
2,116,865	14,171,238	13,393,454
-	883,491	864,556
445,765	445,765	626,385
2,562,630	15,500,494	14,884,395
-	289,045	306,397
-	79,362	79,072
-	60,000	60,000
-	2,618,568	667,870
1,258,617	1,258,617	1,060,923
-	20,427	17,874
83,102	83,102	66,406
2,423,744	3,065,072	5,354,886
65,616	171,987	297,435
100,132	2,481,064	3,120,807
-	5,178,764	5,114,442
(197,897)	(197,897)	(1,941)
3,733,314	15,108,111	16,144,171
$ 6,577,129	$ 32,425,767	$ 33,531,605

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CITY OF DE PERE, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2014
(With summarized financial information as of December 31, 2013)

		2014	2013
Reconciliation to the Statement of Net Position			
Total Fund Balances as shown on previous page		$ 15,108,111	$ 16,144,171
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		62,194,133	62,151,396
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		1,113,220	1,490,941
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		432,633	604,233
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds and notes payable	$ (34,375,000)		
Capital leases payable	(32,802)		
Compensated absences	(1,606,000)		
Bond premium	(454,387)		
Accrued interest on long-term obligations	(109,214)	(36,577,403)	(36,585,336)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 10)		$ 42,270,694	$ 43,805,405

The notes to the basic financial statements are an integral part of this statement.

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CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	General	Debt Service	Capital Projects - Public Improvements	TID No.6
Revenues				
Taxes	$ 7,811,362	$ 1,500,164	$ 991,936	$ 1,609,956
Special assessments	-	-	777,603	-
Intergovernmental	3,034,116	36,342	345,522	5,179
Licenses and permits	461,895	-	-	-
Fines and forfeits	189,673	-	-	-
Public charges for services	1,324,540	-	-	-
Intergovernmental charges for services	1,195,929	-	-	-
Miscellaneous	233,068	61,618	58,164	6,488
Total Revenues	14,250,583	1,598,124	2,173,225	1,621,623
Expenditures				
Current				
General government	1,618,516	-	-	-
Public safety	8,489,787	-	-	-
Public works	2,329,539	-	-	-
Sanitation	778,083	-	-	-
Health and human services	357,251	-	-	-
Culture and recreation	1,992,481	-	-	-
Conservation and development	219,124	-	-	116,750
Debt service				
Principal	-	3,710,000	-	-
Interest and fiscal charges	-	1,254,647	59,915	-
Capital outlay	-	-	3,715,863	1,400,797
Total Expenditures	15,784,781	4,964,647	3,775,778	1,517,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,534,198)	(3,366,523)	(1,602,553)	104,076
Other Financing Sources (Uses)				
Long-term debt issued	-	1,860,000	1,418,500	-
Capital leases	68,047	-	-	-
Transfers in	1,405,297	3,457,221	-	-
Transfers out	-	-	(150,000)	(1,384,866)
Total Other Financing Sources (Uses)	1,473,344	5,317,221	1,268,500	(1,384,866)
Net Change in Fund Balances	(60,854)	1,950,698	(334,053)	(1,280,790)
Fund Balances - January 1	5,794,823	667,870	2,714,985	1,922,118
Fund Balances - December 31	$ 5,733,969	$ 2,618,568	$ 2,380,932	$ 641,328

(Continued)

Attachment: Draft 2014 City of De Pere FS (3792 : Review of Preliminary 2014 Audit Results.*)

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Other Governmental	Total Governmental Funds 2014	Total Governmental Funds 2013
$ 1,721,625	$ 13,635,043	$ 13,065,488
-	777,603	83,160
302,397	3,723,556	3,615,709
110,272	572,167	614,661
-	189,673	237,257
11,640	1,336,180	1,350,626
-	1,195,929	977,037
623,512	982,850	1,118,721
2,769,446	22,413,001	21,062,659
-	1,618,516	1,608,368
-	8,489,787	8,123,459
-	2,329,539	2,491,875
-	778,083	628,360
-	357,251	243,939
101,427	2,093,908	2,220,798
261,587	597,461	2,888,679
-	3,710,000	5,600,474
150	1,314,712	1,251,341
1,422,988	6,539,648	3,866,646
1,786,152	27,828,905	28,923,939
983,294	(5,415,904)	(7,861,280)
326,500	3,605,000	8,180,000
-	68,047	-
-	4,862,518	4,211,450
(2,620,855)	(4,155,721)	(3,491,795)
(2,294,355)	4,379,844	8,899,655
(1,311,061)	(1,036,060)	1,038,375
5,044,375	16,144,171	15,105,796
$ 3,733,314	$ 15,108,111	$ 16,144,171

Attachment: Draft 2014 City of De Pere FS (3792 : Review of Preliminary 2014 Audit Results.*)

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CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

		2014	2013
Reconciliation to the Statement of Activities			
Net Change in Fund Balances as shown on previous page		$ (1,036,060)	$ 1,038,375
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital assets reported as capital outlay in governmental fund statements	$ 2,771,469		
Depreciation expense reported in the statement of activities	(2,532,053)		
Amount by which capital additions are greater (less) than depreciation in current period		239,416	(593,647)
In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.			
Net book value of assets disposed of		(264,726)	-
Certain employee benefits 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 (increased) decreased by:		(31,133)	53,721
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		(171,601)	(129,359)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		(377,720)	(456,497)
The issuance of long-term debt provides current financial resources to governmental funds, but is reported as an increase in long-term debt in the statement of net position and does not affect the statement of activities. amount of debt issued in the current year is:		(3,605,000)	(8,180,000)
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, including $35,245 of capital lease payments in current expenditures, is:		3,745,245	5,639,430
Bond premiums issued are reported in the governmental funds as an other financing source. In the statement of activities, these costs are capitalized and amortized over the life of the bonds.		(92,190)	(362,197)
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.		59,058	(4,114)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 11 - 12)		$ (1,534,711)	$ (2,994,288)

The notes to the basic financial statements are an integral part of this statement.

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CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 7,845,785	$ 7,845,785	$ 7,811,362	$ (34,423)
Intergovernmental	2,986,333	2,986,333	3,034,116	47,783
Licenses and permits	513,857	513,857	461,895	(51,962)
Fines and forfeits	253,000	253,000	189,673	(63,327)
Public charges for services	1,369,303	1,369,303	1,324,540	(44,763)
Intergovernmental charges for services	1,197,033	1,197,033	1,195,929	(1,104)
Miscellaneous	322,285	322,285	233,068	(89,217)
Total Revenues	14,487,596	14,487,596	14,250,583	(237,013)
Expenditures				
Current				
General government	1,688,176	1,688,176	1,618,516	69,660
Public safety	8,009,238	8,324,737	8,489,787	(165,050)
Public works	2,477,565	2,477,565	2,329,539	148,026
Sanitation	952,449	952,449	778,083	174,366
Health and human services	447,811	447,811	357,251	90,560
Culture and recreation	2,115,843	2,123,116	1,992,481	130,635
Conservation and development	235,014	260,403	219,124	41,279
Total Expenditures	15,926,096	16,274,257	15,784,781	489,476
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,438,500)	(1,786,661)	(1,534,198)	252,463
Other Financing Sources				
Capital leases	-	68,047	68,047	-
Transfers in	1,438,500	1,438,500	1,405,297	(33,203)
Total Other Financing Sources	1,438,500	1,506,547	1,473,344	(33,203)
Net Change in Fund Balance	-	(280,114)	(60,854)	219,260
Fund Balance - January 1	5,794,823	5,794,823	5,794,823	-
Fund Balance - December 31	$ 5,794,823	$ 5,514,709	$ 5,733,969	$ 219,260

The notes to the basic financial statements are an integral part of this statement.

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CITY OF DE PERE, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2014
(With summarized financial information as of December 31, 2013)

	Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals 2014	Totals 2013	
ASSETS							
Cash and investments	$ 45,606	$ -	$ -	$ 832,398	$ 878,004	$ 1,669,029	$ 473,448
Receivables							
Accounts	1,681,352	-	1,900,547	-	3,581,899	3,282,009	-
Other	143,141	-	-	-	143,141	206,251	-
Due from other governments	-	2,086,305	-	-	2,086,305	2,246,790	-
Inventories and prepaid items	25,001	-	-	-	25,001	209,546	-
Restricted assets							
Cash and investments	-	-	-	-	-	150,000	-
Capital assets, nondepreciable							
Land	53,207	-	-	-	53,207	53,207	-
Capital assets, depreciable							
Buildings and improvements	892,181	-	-	-	892,181	555,781	-
Machinery and equipment	4,183,868	-	957,886	329,950	5,471,704	4,540,036	-
Infrastructure	22,892,844	-	19,860,980	15,791,251	58,545,075	57,212,720	-
Less: Accumulated depreciation	(6,104,391)	-	(9,243,690)	(6,383,463)	(21,731,544)	(20,609,926)	-
TOTAL ASSETS	23,812,809	2,086,305	13,475,723	10,570,136	49,944,973	49,515,443	473,448
LIABILITIES							
Accounts and claims payable	676,041	-	980,671	14,602	1,671,314	1,855,429	77,551
Accrued and other current liabilities	4,426	-	2,521	2,073	9,020	10,030	-
Accrued interest payable	7,430	-	-	-	7,430	8,334	-
Due to other funds	-	85,240	1,011,230	-	1,096,470	1,080,776	60,000
Long-term obligations							
Due within one year	300,000	-	-	-	300,000	285,000	-
Due in more than one year	2,166,116	-	79,481	49,661	2,295,258	2,524,420	-
TOTAL LIABILITIES	3,154,013	85,240	2,073,903	66,336	5,379,492	5,763,989	137,551
NET POSITION							
Net investment in capital assets	19,577,709	-	11,575,176	9,737,738	40,890,623	39,126,818	-
Unrestricted	1,081,087	2,001,065	(173,356)	766,062	3,674,858	4,624,636	335,897
TOTAL NET POSITION	$ 20,658,796	$ 2,001,065	$ 11,401,820	$ 10,503,800	44,565,481	43,751,454	$ 335,897
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds					(96,736)	8,003	
Net position of business-type activities as reported on the Statement of Net Position (page 10)					$ 44,468,745	$ 43,759,457	

The notes to the basic financial statements are an integral part of this statement.

Attachment: Draft 2014 City of De Pere FS (3792 : Review of Preliminary 2014 Audit Results.*)

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CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals 2014	Totals 2013	
Operating Revenues							
Charges for services	$ 5,799,596	$ -	$ 4,755,100	$ 1,221,174	$ 11,775,870	$ 10,680,581	$ 2,674,734
Other	346,307	-	3,292,943	-	3,639,250	4,757,465	-
Total Operating Revenues	6,145,903	-	8,048,043	1,221,174	15,415,120	15,438,046	2,674,734
Operating Expenses							
Claims and administrative fees	-	-	-	-	-	-	2,951,186
Operation and maintenance	4,652,458	-	6,900,026	729,798	12,282,282	12,240,133	-
Depreciation	560,434	-	546,376	348,820	1,455,630	1,322,735	-
Taxes	49,076	-	-	-	49,076	44,358	-
Total Operating Expenses	5,261,968	-	7,446,402	1,078,618	13,786,988	13,607,226	2,951,186
Operating Income (Loss)	883,935	-	601,641	142,556	1,628,132	1,830,820	(276,452)
Nonoperating Revenues (Expenses)							
Interest income	-	-	-	-	-	-	112
Interest and fiscal charges	(99,108)	(8,200)	-	-	(107,308)	(142,361)	-
Total Nonoperating Revenues (Expenses)	(99,108)	(8,200)	-	-	(107,308)	(142,361)	112
Income (Loss) Before Contributions and Transfers	784,827	(8,200)	601,641	142,556	1,520,824	1,688,459	(276,340)
Capital contributions	-	-	-	-	-	117,170	-
Transfers out	(437,330)	-	(269,467)	-	(706,797)	(719,655)	-
Change in Net Position	347,497	(8,200)	332,174	142,556	814,027	1,085,974	(276,340)
Net Position - January 1	20,311,299	2,009,265	11,069,646	10,361,244	43,751,454	42,665,780	612,237
Net Position - December 31	$ 20,658,796	$ 2,001,065	$ 11,401,820	$ 10,503,800	$ 44,565,481	$ 43,751,754	$ 335,897

	2014	2013
Change in Net Position per above	$ 814,027	$ 1,085,974
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds	(104,739)	(80,665)
Change in net position of business-type activities as reported on the Statement of Activities (pages 11-12)	$ 709,288	$ 1,005,309

The notes to the basic financial statements are an integral part of this statement.

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CITY OF DE PERE, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals 2014	Totals 2013	
Cash Flows from Operating Activities							
Cash received from user charges	$ 6,130,493	$ -	7,826,673	$ 1,221,174	$ 15,178,340	$ 15,541,813	$ -
Cash received from interfund services provided	61,513	-	(61,513)	-	-	-	2,674,734
Cash payments to suppliers	(3,803,551)	-	(6,627,711)	(270,082)	(10,701,344)	(10,511,019)	(3,051,011)
Cash payments to employees	(763,539)	-	(379,220)	(416,996)	(1,559,755)	(1,598,696)	-
Net Cash Provided (Used) by Operating Activities	1,624,916	-	758,229	534,096	2,917,241	3,432,098	(376,277)
Cash Flows from Noncapital Financing Activities							
Changes in assets and liabilities Due to other funds	-	(152,285)	167,979	-	15,694	(81,481)	-
Transfers out	(437,330)	-	(269,467)	-	(706,797)	(719,655)	-
Net Cash Used by Noncapital Financing Activities	(437,330)	(152,285)	(101,488)	-	(691,103)	(801,136)	-
Cash Flows from Capital and Related Financing Activities							
Acquisition of capital assets	(1,548,247)	-	(806,741)	(579,448)	(2,934,436)	(1,558,527)	-
Proceeds from sale of treatment plant	-	160,485	-	-	160,485	160,485	-
Principal payments on long-term debt	(285,000)	-	-	-	(285,000)	(275,000)	-
Interest payments on long-term debt	(100,012)	(8,200)	-	-	(108,212)	(143,235)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,933,259)	152,285	(806,741)	(579,448)	(3,167,163)	(1,816,277)	-
Cash Flows from Investing Activities							
Investment income	-	-	-	-	-	-	112
Change in Cash and Cash Equivalents	(745,673)	-	(150,000)	(45,352)	(941,025)	814,685	(376,165)
Cash and Cash Equivalents - January 1	791,279	-	150,000	877,750	1,819,029	1,004,344	849,613
Cash and Cash Equivalents - December 31	$ 45,606	$ -	-	$ 832,398	$ 878,004	$ 1,819,029	$ 473,448
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	$ 883,935	$ -	$ 601,641	$ 142,556	$ 1,628,132	$ 1,830,820	$ (276,452)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	560,434	-	546,376	348,820	1,455,630	1,322,735	-
Depreciation charged to sewer	61,513	-	(61,513)	-	-	-	-
Changes in assets and liabilities							
Accounts receivable	(78,520)	-	(221,370)	-	(299,890)	11,069	-
Other accounts receivable	63,110	-	-	-	63,110	92,698	-
Inventories and prepaid items	184,545	-	-	-	184,545	(184,456)	-
Accounts and claims payable	(63,116)	-	(131,530)	10,532	(184,114)	356,185	(99,825)
Accrued liabilities	(1,165)	-	(318)	473	(1,010)	1,043	-
Compensated absences	14,180	-	24,943	31,715	70,838	2,004	-
Net Cash Provided (Used) by Operating Activities	$ 1,624,916	$ -	758,229	$ 534,096	$ 2,917,241	$ 3,432,098	$ (376,277)
Noncash Investing, Capital and Financing Activities							
Capital contributions	$ -	$ -	$ -	$ -	$ -	$ 117,170	$ -

The notes to the basic financial statements are an integral part of this statement.

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CITY OF DE PERE, WISCONSIN
Statement of Net Position
Agency Funds
December 31, 2014
(With summarized financial information as of December 31, 2013)

	Tax Collection	Trust Deposits	Totals 2014	Totals 2013
ASSETS				
Cash and cash equivalents	$ 9,576,164	$ 25,130	$ 9,601,294	$ 7,088,537
Accounts receivable				
Taxes receivable	18,828,569	-	18,828,569	22,384,811
TOTAL ASSETS	$ 28,404,733	$ 25,130	$ 28,429,863	$ 29,473,348
LIABILITIES				
Due to other governments				
State of Wisconsin	$ 311,296	$ -	$ 311,296	$ 298,395
Brown County	7,857,716	-	7,857,716	7,773,445
Northeast Wisconsin Technical College	1,340,621	-	1,340,621	2,746,000
School District of De Pere	9,039,047	-	9,039,047	8,990,423
West De Pere School District	9,856,053	-	9,856,053	9,639,612
Deposits held in trust	-	25,130	25,130	25,473
TOTAL LIABILITIES	$ 28,404,733	$ 25,130	$ 28,429,863	$ 29,473,348

The notes to the basic financial statements are an integral part of this statement.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity
The City of De Pere is a municipal corporation governed by an elected eight-member council. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

2. Related Organization
The Mayor and City Council are responsible for appointing the board members of the De Pere Housing Authority, but the City's involvement with this organization does not extend beyond making the appointments. The City is not financially accountable for the Housing Authority as defined by standards in GASB Statement No. 61. Therefore this organization is not included in the City's reporting entity.

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

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

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

   The City reports the following major governmental funds:

   GENERAL FUND

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEBT SERVICE FUND

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

PUBLIC IMPROVEMENTS FUND

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

TAX INCREMENTAL DISTRICT (TID) NO. 6 FUND

This fund is used to account for financing and construction of tax incremental district projects. Significant revenues include tax increments and special assessments.

The City reports the following major enterprise funds:

WATER UTILITY FUND

This fund is used to account for the operations of the City's water utility.

WASTEWATER TREATMENT PLANT UTILITY FUND

This fund is used to account for the collection of the long-term receivable from the sale of the City's wastewater treatment plant utility.

WASTEWATER UTILITY FUND

This fund is used to account for the operations of the City's wastewater utility.

STORMWATER UTILITY FUND

This fund is used to account for the operations of the City's stormwater utility.

Additionally, the government reports the following fund types:

Internal service funds account for health insurance and dental insurances services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

The City accounts for property taxes collected on behalf of other governments and trust deposits in *agency funds*.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund (other than agency funds) financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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

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

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

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

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

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and nonnegotiable time deposits with financial institutions and are carried at cost. Investments with maturity dates of less than one year are stated at amortized cost, which approximates fair value. Investments with maturity dates exceeding one year are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable

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

c. Interfund Receivables and Payables

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

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

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

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

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

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-type Activities
	Years	
Assets		
Land improvements	10 - 40	-
Buildings and improvements	30 - 40	25 - 50
Machinery and equipment	3 - 15	3 - 10
Infrastructure	15 - 75	25 - 100

Annual depreciation expense for the enterprise fund reported on the statement of cash flows exceeds depreciation expense reported on the statement of revenues, expenses and changes in net position. The difference results from depreciation expense applicable to transportation and certain other operating equipment of the water utility enterprise fund being charged to operating expense accounts other than the depreciation expense account. This accounting procedure is required by the Public Service Commission of the State of Wisconsin.

g. 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. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

h. Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent 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 one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The City also has an additional type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, special assessments and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

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

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

l. Summarized Comparative Information
The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting
The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

a. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.

b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, debt service, capital project, and enterprise funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

c. During the year, formal budgetary integration is employed as a management control device for the general, debt service and certain capital project funds. Management control of special revenue funds and other capital projects funds are achieved through grant contracts, bond issuance resolutions, Tax Incremental District project plans and available balances.

d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.

e. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2014.

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

2. Deficit Fund Balance
The following funds had a deficit fund balance as of December 31, 2014:

Funds	Deficit Fund Equity
Special Revenue Fund	
Cable Access	$ 18,592
Capital Projects Funds	
TID No. 5	109,714
TID No. 9	69,591

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

NOTE C - DETAILED NOTES ON ALL FUNDS

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

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

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

The carrying amount of the City's cash and investments totaled $25,329,542 on December 31, 2014 as summarized below:

Petty cash funds	$ 2,797
Deposits with financial institutions	331,576
Investments	24,995,169
	$ 25,329,542

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	$ 13,109,680
Restricted cash and investments	2,618,568
Fiduciary funds statement of net position	
Agency funds	9,601,294
	$ 25,329,542

Deposits and investments of the City are subject to various risks. Presented on the following page is a discussion of the specific risks and the City's policy related to the risk.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

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

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

As of December 31, 2014, $161,911 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits.

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 investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City does not have an additional credit risk policy. Presented below is the actual rating as of year end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Not Rated
U.S. Treasury notes	$ 4,393,902	$ 4,393,902	$ -	$ -
Money market funds	315,701	315,701	-	-
Federal agency securities	5,967,018	-	5,967,018	-
Wisconsin local government investment pool	14,318,548	-	-	14,318,548
Totals	$ 24,995,169	$ 4,709,603	$ 5,967,018	$ 14,318,548

Concentration of Credit Risk

The investment policy of the City limits the amount that can be invested in any one security type or issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Reported Amount	Percent of Total
Federal National Mortgage Association	$ 2,756,047	11.0%
Federal Home Loan Mortgage Corporation	1,295,523	5.2%

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

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

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	$ 4,393,902	$ 954,624	$ 3,237,291	$ 201,987	$ -
Money market funds	315,701	315,701	-	-	-
Federal agency securities	5,967,018	428,457	600,919	1,773,399	3,164,243
Wisconsin local government investment pool	14,318,548	14,318,548	-	-	-
Totals	$ 24,995,169	$ 16,017,330	$ 3,838,210	$ 1,975,386	$ 3,164,243

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations
The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	$ 5,967,018

Investment in Wisconsin Local Government Investment Pool
The City has investments in the Wisconsin local government investment pool of $14,318,548 at year-end. The Wisconsin local government investment pool (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, 2014, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

2. Restricted Cash and Investments
Restricted cash and investments of the Debt Service fund totaled $2,618,568 on December 31, 2014, and is held for debt retirement.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

   The City bills and collects its own property taxes and also levies and collects taxes for the School District of De Pere, West De Pere School District, Brown County and the State of Wisconsin. The Brown County Treasurer collects property taxes billed by the City in accordance with a contract between the County and the City.

4. Due From Other Governments
On December 31, 2007, the City of De Pere sold its wastewater treatment facility to the Green Bay Metropolitan Sewerage District (GBMSD). As part of the sale, the City received a 20 year non-interest bearing note from the GBMSD in the amount of $3,209,700 payable to the City in annual installments of $160,485. The balance of the note receivable at December 31, 2014 was $2,086,305.

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NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Capital Assets
Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 8,268,479	$ 176,119	$ -	$ 8,444,598
Capital assets, being depreciated:				
Land improvements	5,804,348	45,433	-	5,849,781
Buildings and improvements	11,307,507	60,213	66,620	11,301,100
Machinery and equipment	2,665,633	599,692	-	3,265,325
Vehicles	7,265,359	325,840	821,401	6,769,798
Infrastructure	69,133,785	1,632,219	711,860	70,054,144
Subtotals	96,176,632	2,663,397	1,599,881	97,240,148
Less accumulated depreciation for:				
Land improvements	2,100,219	117,482	-	2,217,701
Buildings and improvements	6,295,324	270,911	66,620	6,499,615
Machinery and equipment	1,961,754	187,211	-	2,148,965
Vehicles	5,819,456	412,666	615,058	5,617,064
Infrastructure	26,116,962	1,543,783	653,477	27,007,268
Subtotals	42,293,715	2,532,053	1,335,155	43,490,613
Total capital assets, being depreciated, net	53,882,917	131,344	264,726	53,749,535
Governmental activities capital assets, net	$ 62,151,396	$ 307,463	$ 264,726	62,194,133
Less related long-term debt outstanding				32,582,802
Net investment in capital assets				$ 29,611,331
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 53,207	$ -	$ -	$ 53,207
Capital assets, being depreciated:				
Buildings	555,781	336,400	-	892,181
Machinery and equipment	4,540,036	1,053,774	122,106	5,471,704
Infrastructure	57,212,720	1,544,261	211,906	58,545,075
Subtotals	62,308,537	2,934,435	334,012	64,908,960
Less accumulated depreciation:	20,609,926	1,455,630	334,012	21,731,544
Total capital assets, being depreciated, net	41,698,611	1,478,805	-	43,177,416
Business-type activities capital assets, net	$ 41,751,818	$ 1,478,805	$ -	43,230,623
Less related long-term debt outstanding				2,340,000
Net investment in capital assets				$ 40,890,623

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CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities	
General government	$ 40,910
Public safety	217,880
Public works	1,964,617
Culture and recreation	308,646
Total depreciation expense - governmental activities	$ 2,532,053
Business-type activities	
Water utility	$ 560,434
Wastewater utility	546,376
Stormwater utility	348,820
Total depreciation expense - business-type activities	$ 1,455,630

6. Interfund Receivable, Payables, and Transfers
Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2014 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Advance		
General Fund	$ 60,000	$ -
Internal Service Funds		
Health Self Insurance	-	50,000
Dental Self Insurance	-	10,000
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	1,321,514	-
Special Revenue Fund		
Cable Access	-	45,739
Capital Project funds		
TID No. 5	-	109,714
TID No. 9	-	69,591
Enterprise Funds		
Wastewater Treatment Plant Utility	-	85,240
Wastewater Utility	-	1,011,230
Totals	$ 1,381,514	$ 1,381,514

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended December 31, 2014 were as follows:

	Transfer to:		
	General Fund	Debt Service	Total
Transfers from:			
Public Improvements	$ -	$ 150,000	$ 150,000
Cable Access	18,500	-	18,500
Riverwalk Pier	80,000	-	80,000
Capital Equipment	600,000	-	600,000
TID No. 5	-	1,091,825	1,091,825
TID No. 6	-	1,384,866	1,384,866
TID No. 7	-	326,443	326,443
TID No. 8	-	334,509	334,509
TID No. 9	-	87,673	87,673
TID No. 10	-	81,905	81,905
Water Utility	437,330	-	437,330
Wastewater Utility	269,467	-	269,467
	$ 1,405,297	$ 3,457,221	$ 4,862,518

Transfers are made in accordance with annual budgets.

7. Long-term Obligations
The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2014:

	Outstanding 1/1/14	Issued	Retired	Outstanding 12/31/14	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	$ 22,690,000	$ 3,605,000	$ 2,285,000	$ 24,010,000	$ 4,075,000
Taxable Bonds	7,095,000	-	375,000	6,720,000	540,000
Notes	4,095,000	-	940,000	3,155,000	885,000
Taxable Notes	600,000	-	110,000	490,000	115,000
Total General Obligation Debt	34,480,000	3,605,000	3,710,000	34,375,000	5,615,000
Debt premium	362,197	119,782	27,592	454,387	38,592
Capital lease payable	-	68,047	35,245	32,802	32,802
Compensated absences	1,574,867	31,133	-	1,606,000	-
Governmental activities Long-term obligations	$ 36,417,064	$ 3,823,962	$ 3,772,837	$ 36,468,189	$ 5,686,394
Business-type activities:					
Water utility revenue bonds	$ 2,625,000	$ -	$ 285,000	$ 2,340,000	$ 300,000
Compensated absences	184,420	70,838	-	255,258	-
Business-type activities Long-term obligations	$ 2,809,420	$ 70,838	$ 285,000	$ 2,595,258	$ 300,000

Total interest paid during the year on long-term debt totaled $1,319,339.

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NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds	
$4,815,000 issued 3/25/04; $210,000 to $220,000 due annually through 2016; interest 2.0% to 4.0%	$ 430,000
$3,605,000 issued 3/25/04; $1,825,000 due in 2015; interest at 3.25%	1,825,000
$2,650,000 issued 8/1/05; $180,000 to $265,000 due annually through 2024; interest 3.5% to 4.15%	2,205,000
$4,050,000 issued 6/15/06; $200,000 to $315,000 due annually through 2025; interest 4.03%	2,785,000
$2,020,000 issued 11/7/07; $95,000 to $155,000 due annually through 2026; interest 4.05%	1,460,000
$1,000,000 issued 8/1/08; $45,000 to $75,000 due annually through 2027; interest 4.25%	770,000
$2,270,000 issued 8/1/08; $80,000 to $255,000 due annually through 2027; interest 4.55%	2,040,000
$2,245,000 issued 8/15/11; $140,000 to $180,000 due annually through 2025; interest 0.50% to 3.45%	1,715,000
$2,980,000 issued 9/20/2012; $150,000 to $265,000 due annually through 2027; interest 0.50% to 2.40%	2,215,000
$5,650,000 issued 8/13/2013; $150,000 to $600,000 due annually through 2028; interest 3.00% to 3.625%	4,960,000
$1,075,000 issued 11/20/14; $65,000 to $85,000 due annually through 2029; interest 2.0% to 3.0%	1,075,000
$2.530.000 issued 11/20/14; $80,000 to $470,000 due annually through 2023; interest 2.0% to 3.0%	2,530,000
Total Bonds	24,010,000
Taxable Bonds	
$1,875,000 issued 5/12/09; $90,000 to $155,000 due annually through 2028; interest 2.0% to 5.625%	1,630,000
$2,850,000 issued 9/20/2012; $50,000 to $235,000 due annually through 2031; interest 0.85% to 3.90%	2,850,000
$2,530,000 issued 8/13/2013; $140,000 to $340,000 due annually through 2023; interest 2.00% to 3.50%	2,240,000
Total Taxable Bonds	6,720,000
Notes	
$2,375,000 issued 8/1/05; $205,000 due in 2015; interest 3.80% to 5.0%	205,000
$1,220,000 issued 8/1/08; $140,000 to $155,000 due annually through 2017; interest 3.43%	450,000
$2,985,000 issued 10/28/10; $205,000 to $360,000 due annually through 2020; interest 1.50% to 3.0%	1,795,000
$1,565,000 issued 8/15/11; $75,000 to $195,000 due annually through 2020; interest 2.0% to 2.70%	705,000
Total Notes	3,155,000
Taxable Notes	
$800,000 issued 5/12/09; $115,000 to $130,000 due annually through 2018; interest 2.0% to 4.75%	490,000
Total General Obligation Debt	$ 34,375,000

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of $34,375,000 on December 31, 2014 are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2015	$ 5,615,000	$ 1,006,673	$ 6,621,673
2016	3,565,000	908,389	4,473,389
2017	3,330,000	817,049	4,147,049
2018	3,285,000	732,054	4,017,054
2019	2,885,000	643,651	3,528,651
2020-2024	10,565,000	2,097,289	12,662,289
2025-2029	4,995,000	492,578	5,487,578
2030-2031	135,000	7,215	142,215
	$ 34,375,000	$ 6,704,898	$ 41,079,898

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

Build America Bonds
The taxable general obligation bonds and notes issued on May 12, 2009 totaling $1,875,000 qualify as Build America Bonds, as described in Section 54AA of the Internal Revenue Code. The interest on the debt is taxable as set forth in the regulations. The City is eligible to receive a 35% subsidy of the annual interest payment from the Federal government. In order to receive this subsidy it is necessary for the City to file a claim form annually.

Legal Margin for New Debt
The City's legal margin for creation of additional general obligation debt on December 31, 2014 was $59,959,923 as follows:

Equalized valuation of the City		$ 1,834,327,100
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		91,716,355
Total outstanding general obligation debt applicable to debt limitation	$ 34,375,000	
Less: Funds held in debt service fund for retirement of general obligation debt	2,618,568	31,756,432
Legal Margin for New Debt		$ 59,959,923

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Water Utility Revenue Bonds

Water Utility Revenue Bonds outstanding on December 31, 2014 totaled $2,340,000 and is composed of the following issue:

$4,395,000 issued 3/7/07; $300,000 to $370,000 due annually through 2021; interest 3.810%	$ 2,340,000

Annual principal and interest maturities of the outstanding water utility revenue bonds of $2,340,000 on December 31, 2014 are detailed below:

	Business-type Activities		
Due	Principal	Interest	Total
2015	$ 300,000	$ 89,154	$ 389,154
2016	310,000	77,724	387,724
2017	320,000	65,913	385,913
2018	335,000	53,721	388,721
2019	345,000	40,958	385,958
2020-2021	730,000	41,910	771,910
	$ 2,340,000	$ 369,380	$ 2,709,380

Water Utility Revenues Pledged

The City has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the utility. The bonds are payable through 2021. The total principal and interest remaining to be paid on the bonds is $2,709,380. Principal and interest paid for the current year and total customer net revenues were $385,013 and $1,444,369 respectively.

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

8. Fund Equity
In the fund financial statements, portions of governmental fund balances are committed by City Council action. At December 31, 2014, fund balance was committed as follows:

General Fund	
Committed for subsequent years' expenditures	
Council - three lap top purchases	$ 2,250
Administrator - city hall roof study	7,050
Mayor - storage cabinet	500
Police - community policing	1,887
Police - training	10,690
Fire/Rescue - ACT 102	1,734
Machinery & equipment - Four leg rotating hoist and hoist restoration	4,655
Community center - outdoor light fixtures	2,500
Historic preservation	5,260
Parks & public lands - optimist park accessibility path	25,000
Parks & public lands - water cooler replacement program	2,445
Swimming pools - VFW & legion repairs	15,500
Economic development - survey work & city signage	7,000
GIS - Arc GIS online initiative	16,000
GIS - training	2,000
GIS - mobile GIS hardware	1,900
Total	$ 106,371

Special Revenue Funds	
Committed for subsequent years' expenditures	
Dog park	$ 15,239
Riverwalk Pier	50,377
Total	$ 65,616

Capital Projects Funds	
Committed for capital outlay	
Public improvements	$ 2,380,932
Capital equipment	93,528
Community center	3,672
Police/Fire expansion	2,932
Total	$ 2,481,064

9. Minimum Fund Balance Policy
The City Council has adopted a policy that fund balance in the amount of 25% of the ensuing year's budgeted general fund expenditures be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2015 General Fund Expenditures	$ 16,325,437
Minimum Fund Balance %	(x) 25%
Minimum Fund Balance Amount	$ 4,081,359

The City's unassigned general fund balance of $5,178,764 is above the range of the minimum fund balance amount.

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NOTE D - OTHER INFORMATION

1. Retirement Commitments

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire, are eligible to participate in the WRS. All employees initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire, are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions 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.

Contribution rates for 2014 were:

	Employee	Employer
General (including Teachers)	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for City employees covered by the WRS for the year ended December 31, 2014 was $9,073,681; the employer's total payroll was $9,708,862. The total required contribution for the year ended December 31, 2014 was $1,486,028, which consisted of $850,870, or 9.4% of covered payroll from the employer and $635,158, or 7.0% of covered payroll from employees. Total contributions for the years ended December 31, 2013 and 2012 were $1,371,637 and $1,189,405, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

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NOTE D - OTHER INFORMATION (Continued)

2. Risk Management
The City has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenditures or expenses in various funds of the City.

In addition to the above, the City has established two separate internal service funds for risk management programs to finance employees' health and employees' dental claims. The risk management programs are funded by charges to City departments and employees. For 2014, the health insurance program had stop loss health insurance coverage commencing at $80,000 per individual claim and $2,183,558 for the aggregate of claims. Fund expenses consist of payments to a third-party administrator for medical and dental claims, stop loss insurance premiums and administrative fees. Settlements have not exceeded insurance coverage for each of the past three years. On December 31, 2014, the health self-insurance fund had a net position balance of $290,544, while the dental self-insurance fund had unrestricted net position balance of $45,353. Claim liabilities at year-end are recorded based on actual claim payments reported at year-end and paid after the balance sheet date of December 31 up to the date of preparing the financial statements. The City does not report an estimated liability for claims incurred but not reported. Changes in each fund's claims liability amount for 2013 and 2014 follow:

	2013			
	Liability January 1	Current Year Claims	Claim Payments	Liability December 31
Health	$ 131,962	$ 2,532,554	$ 2,489,430	$ 175,086
Dental	9,547	110,917	118,174	2,290
Total	$ 141,509	$ 2,643,471	$ 2,607,604	$ 177,376

	2014			
	Liability January 1	Current Year Claims	Claim Payments	Liability December 31
Health	$ 175,086	$ 2,182,003	$ 2,282,148	$ 74,941
Dental	2,290	120,101	119,781	2,610
Total	$ 177,376	$ 2,302,104	$ 2,401,929	$ 77,551

3. Conduit Debt
The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately $2.5 million, made up of three series.

4. Tax Incremental Districts
The City maintains capital projects funds for six Tax Incremental Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. All six of the City's Districts are still eligible to incur project costs. Accordingly, the Districts are accounted for in capital projects funds.

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NOTE D - OTHER INFORMATION (Continued)

A summary of pertinent financial information for the City's TID Districts on December 31, 2014 follows:

	TID No. 5	TID No. 6	TID No. 7	TID No. 8	TID No. 9	TID No. 10
Creation date	8/26/1996	3/18/1998	1/1/2007	1/1/2007	8/13/2012	8/13/2012
Termination date	12/31/2023	12/31/2021	12/33/2033	12/31/2027	12/31/2039	12/31/2032
Tax increment property tax revenues for 2014	$ 910,290	$ 1,595,397	$ -	$ -	$ 1,495	$ 42,608
Net unreimbursed project costs due City	5,565,353	1,495,575	1,981,472	2,482,302	820,782	484,887

Unless terminated by the City prior thereto, the Districts will statutorily terminate on their termination dates.

5. <u>Water Purchase Contract with Central Brown County Water Authority</u>
The City of De Pere is a Charter Member of the Central Brown County Water Authority with five other Brown County communities. The Authority was formed under Wisconsin Statutes in 1998 to provide a long-term solution to water quantity and quality concerns. In 2004, the Authority entered into a contract to purchase Lake Michigan water from the City of Manitowoc. In 2007, the Authority completed construction of a 30 mile water transmission main from the City of Manitowoc and a 35 mile long spoke transmission system to distribute the water to its individual members. To provide funds to complete construction projects, the Authority issued $136,625,000 of revenue bonds in June of 2005.

   Each Charter Member has entered into a water purchase contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bonds and (3) required Security Fund deposits. During 2014 the City paid the Authority $3,296,302 in accordance with the water purchase contract.

   The contract requires each Charter Member to purchase water through 2040 or when the revenue bonds are retired, whichever is sooner. The contract also requires the members to fund the revenue bond Security Fund to provide additional funds for Authority debt service if sufficient funds are not available from the monthly billings.

6. <u>Contingencies</u>
From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City Attorney 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.

7. <u>Property Tax Levy Limit</u>
Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns and counties. For the 2013 and 2014 budget years, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the City's January 1 equalized value as a result of net new construction or 3.0% per year. The actual limit for the City for the 2014 budget was 1.21%. The actual limit for the City for the 2015 budget was 1.86%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE D - OTHER INFORMATION (Continued)

8. Upcoming Accounting Pronouncements
   In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide and proprietary statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ending December 31, 2015.

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SUPPLEMENTARY INFORMATION

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CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Revenues
For the Year Ended December 31, 2014

	Budget Original	Budget Final	Actual	Variance Final Budget - Positive (Negative)
Taxes				
General property	$ 7,751,565	$ 7,751,565	$ 7,751,706	$ 141
Mobile home	7,100	7,100	5,724	(1,376)
Sales tax	120	120	120	-
Room tax	5,400	5,400	7,474	2,074
Payments in lieu of taxes	2,500	2,500	5,176	2,676
Housing authority	28,000	28,000	28,376	376
Interest and penalties	1,100	1,100	1,157	57
Interest and penalties on special assessments	50,000	50,000	11,629	(38,371)
Total Taxes	7,845,785	7,845,785	7,811,362	(34,423)
Intergovernmental				
Law enforcement training	5,400	5,400	22,730	17,330
State shared taxes	1,425,456	1,425,456	1,415,748	(9,708)
Exempt computer aid	154,361	154,361	151,821	(2,540)
Fire insurance	66,000	66,000	75,346	9,346
Rescue squad	-	-	7,388	7,388
Transportation	888,991	888,991	888,799	(192)
Mass transit	294,790	294,790	294,790	-
Public health	52,835	52,835	54,666	1,831
Recycling	95,000	95,000	97,793	2,793
Other	3,500	3,500	25,035	21,535
Total Intergovernmental	2,986,333	2,986,333	3,034,116	47,783
Licenses and Permits				
Licenses				
Liquor and malt beverages	35,000	35,000	32,251	(2,749)
Operators	28,000	28,000	29,955	1,955
Cigarette	2,100	2,100	2,300	200
Food and beverage	50,000	50,000	55	(49,945)
DATCP licensing	12,000	12,000	-	(12,000)
Cable television	170,000	170,000	165,408	(4,592)
Trailer park	-	-	100	100
Dog	3,500	3,500	3,312	(188)
Other licenses/permits	4,800	4,800	5,360	560
Permits				
Construction	515	515	630	115
Electrical and plumbing	73,130	73,130	95,778	22,648
Sanitary sewer	4,120	4,120	4,935	815
Zoning and inspection	130,692	130,692	121,811	(8,881)
Total Licenses and Permits	513,857	513,857	461,895	(51,962)

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CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Revenues (Continued)
For the Year Ended December 31, 2014

	Budget Original	Budget Final	Actual	Variance Final Budget - Positive (Negative)
Fines and Forfeits				
Court forfeitures and costs	215,000	215,000	155,929	(59,071)
Parking violations	38,000	38,000	33,744	(4,256)
Total Fines and Forfeits	253,000	253,000	189,673	(63,327)
Public Charges for Services				
General government	28,605	28,605	26,876	(1,729)
Police	7,920	7,920	3,639	(4,281)
Alarm monitoring fees	10,000	10,000	12,375	2,375
Ambulance	775,750	775,750	682,978	(92,772)
Streets	45,000	45,000	55,230	10,230
Snow removal	6,000	6,000	3,888	(2,112)
Weed cutting	600	600	(7,144)	(7,744)
Recycling	1,000	1,000	5,623	4,623
Public health	9,100	9,100	6,820	(2,280)
Community center	244,022	244,022	269,896	25,874
Swimming pools	126,738	126,738	101,677	(25,061)
Parks	8,447	8,447	9,478	1,031
Recreation	106,121	106,121	133,990	27,869
Concession sales	-	-	19,214	19,214
Total Public Charges for Services	1,369,303	1,369,303	1,324,540	(44,763)
Intergovernmental Charges for Services				
General government	178,300	178,300	181,723	3,423
Public safety	324,000	324,000	319,473	(4,527)
Public works	694,733	694,733	694,733	-
Total Intergovernmental Charges for Services	1,197,033	1,197,033	1,195,929	(1,104)
Miscellaneous				
Investment income	125,000	125,000	68,398	(56,602)
Sale of assets				
Sale of City property	66,500	66,500	75,271	8,771
Salvage products	-	-	974	974
Rental income	129,635	129,635	84,866	(44,769)
Department revenue	650	650	3,539	2,889
Other	500	500	20	(480)
Total Miscellaneous	322,285	322,285	233,068	(89,217)
Total Revenues	$ 14,487,596	$ 14,487,596	$ 14,250,583	$ (237,013)

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CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Expenditures
For the Year Ended December 31, 2014

	Budget Original	Budget Final	Actual	Variance Final Budget - Positive (Negative)
General Government				
Council	$ 93,146	$ 93,146	$ 97,513	$ (4,367)
Council outlay	3,000	3,000	3,450	(450)
Municipal court	95,145	95,145	94,232	913
Mayor	38,001	38,001	35,656	2,345
Mayor outlay	500	500	-	500
Administrator	129,327	129,327	117,791	11,536
Clerk/treasurer	242,429	242,429	236,574	5,855
Elections	51,585	51,585	33,550	18,035
Assessment of property	59,247	59,247	42,472	16,775
Accounting and finance	110,284	110,284	120,419	(10,135)
Data processing	79,662	79,662	87,956	(8,294)
Data processing outlay	1,600	1,600	9,905	(8,305)
Personnel and insurance	224,193	224,193	223,964	229
Legal	190,510	190,510	189,729	781
City hall	104,047	104,047	92,140	11,907
City hall outlay	10,000	10,000	13,317	(3,317)
Other general government	255,500	255,500	219,848	35,652
Total General Government	1,688,176	1,688,176	1,618,516	69,660
Public Safety				
Police department	4,293,254	4,305,699	4,280,679	25,020
Police department outlay	81,200	202,450	229,533	(27,083)
Traffic control	95,357	95,357	86,804	8,553
Fire/ambulance department	3,271,906	3,274,059	3,433,437	(159,378)
Fire/ambulance department outlay	-	159,851	175,810	(15,959)
Building and electrical	256,521	256,521	254,864	1,657
Building and electrical outlay	-	19,800	19,800	-
Jail	11,000	11,000	8,860	2,140
Total Public Safety	8,009,238	8,324,737	8,489,787	(165,050)
Public Works				
Street machinery repair	128,731	128,731	130,044	(1,313)
Street machinery repair outlay	4,655	4,655	-	4,655
Municipal service center	107,766	107,766	105,907	1,859
Municipal service center outlay	6,500	6,500	5,106	1,394
Mechanics	210,169	210,169	137,632	72,537
Mechanics outlay	3,725	3,725	4,021	(296)
Administration	157,337	157,337	162,773	(5,436)
Administration outlay	1,000	1,000	-	1,000
Engineer	272,619	272,619	273,456	(837)
Engineer outlay	4,400	4,400	2,516	1,884
Street maintenance	137,436	137,436	113,647	23,789
Street maintenance outlay	-	-	1,000	(1,000)
Brush pickup	86,822	86,822	84,766	2,056
Weed cutting	4,823	4,823	7,029	(2,206)

(Continued)

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CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Expenditures (Continued)
For the Year Ended December 31, 2014

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
Public Works (Continued)				
Snow and ice control	251,628	251,628	312,698	(61,070)
Traffic signs and markings	145,954	145,954	120,106	25,848
Traffic lights	44,600	44,600	42,136	2,464
Street lighting	429,300	429,300	386,998	42,302
Transit system	480,100	480,100	439,704	40,396
Total Public Works	2,477,565	2,477,565	2,329,539	148,026
Sanitation				
Garbage and refuse collection	308,451	308,451	315,479	(7,028)
Garbage and refuse collection outlay	92,315	92,315	-	92,315
Landfill waste disposal	160,000	160,000	217,528	(57,528)
Recycling	111,683	111,683	91,873	19,810
Recycling outlay	280,000	280,000	153,203	126,797
Total Sanitation	952,449	952,449	778,083	174,366
Health and Human Services				
Nurse	445,891	445,891	355,731	90,160
Board of health	1,920	1,920	1,520	400
Total Health and Human Services	447,811	447,811	357,251	90,560
Culture and Recreation				
Community center	550,210	550,210	538,468	11,742
Community center outlay	-	2,500	322	2,178
Special events and celebrations	11,311	11,311	1,826	9,485
Park and recreation administration	209,616	209,616	223,035	(13,419)
Recreation	282,052	282,052	215,272	66,780
Swimming pools	292,117	292,117	231,390	60,727
Swimming pools outlay	32,000	32,000	9,850	22,150
Parks	399,387	399,387	436,794	(37,407)
Parks outlay	19,000	19,000	31,701	(12,701)
Parks equipment maintenance	64,745	64,745	76,900	(12,155)
Parks equipment outlay	15,000	15,000	14,524	476
Boat ramps	23,382	23,382	24,528	(1,146)
Forestry	205,578	205,578	177,221	28,357
Forestry outlay	1,000	1,000	995	5
Historical society	10,445	15,218	9,655	5,563
Total Culture and Recreation	2,115,843	2,123,116	1,992,481	130,635
Conservation and Development				
Economic development	235,014	260,403	219,124	41,279
Total Expenditures	$ 15,926,096	$ 16,274,257	$ 15,784,781	$ 489,476

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CITY OF DE PERE, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014
(With summarized financial information as of December 31, 2013)

	Special Revenue Funds						Capital Project Funds	
	Development Loan Program	Public Land Acquisition	Riverwalk Pier	Cable Access	Dog Park	Total Special Revenue Funds	Capital Equipment	Community Center
ASSETS								
Cash and investments	$ 1,258,618	$ 83,102	$ 50,377	$ -	$ 15,239	$ 1,407,336	$ 93,528	$ 3,672
Receivables								
Taxes	-	-	-	-	-	-	941,276	-
Accounts	-	-	-	29,482	-	29,482	-	-
Loans	445,764	-	-	-	-	445,764	-	-
TOTAL ASSETS	$ 1,704,382	$ 83,102	$ 50,377	$ 29,482	$ 15,239	$ 1,882,582	$ 1,034,804	$ 3,672
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ -	$ -	$ 1,622	$ -	$ 1,622	$ -	$ -
Accrued and other current liabilities	-	-	-	713	-	713	-	-
Due to other funds	-	-	-	45,739	-	45,739	-	-
Total Liabilities	-	-	-	48,074	-	48,074	-	-
Deferred Inflows of Resources								
Property taxes	-	-	-	-	-	-	941,276	-
Loans receivable	445,765	-	-	-	-	445,765	-	-
Total Deferred Inflows of Resources	445,765	-	-	-	-	445,765	941,276	-
Fund Balances								
Restricted for								
Loans	1,258,617	-	-	-	-	1,258,617	-	-
Park land acquisition	-	83,102	-	-	-	83,102	-	-
Capital outlay	-	-	-	-	-	-	-	-
Committed for								
Subsequent years' expenditures	-	-	50,377	-	15,239	65,616	-	-
Capital outlay	-	-	-	-	-	-	93,528	3,672
Unassigned, reported in								
Special revenue funds	-	-	-	(18,592)	-	(18,592)	-	-
Capital projects funds	-	-	-	-	-	-	-	-
Total Fund Balances	1,258,617	83,102	50,377	(18,592)	15,239	1,388,743	93,528	3,672
TOTAL LIABLITIES, DEFFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,704,382	$ 83,102	$ 50,377	$ 29,482	$ 15,239	$ 1,882,582	$ 1,034,804	$ 3,672

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Capital Projects Funds (Continued)							Total Nonmajor Governmental Funds
Police/Fire Expansion	TID No.5	TID No.7	TID No.8	TID No.9	TID No. 10	Total Capital Projects Funds	2014
$ 2,932	$ -	$ 1,189,967	$ 1,214,078	$ -	$ 73,505	$ 2,577,682	$ 3,985,018
-	859,975	-	221,328	38,732	55,554	2,116,865	2,116,865
-	-	-	-	-	-	-	29,482
-	-	-	-	-	-	-	445,764
$ 2,932	$ 859,975	$ 1,189,967	$ 1,435,406	$ 38,732	$ 129,059	$ 4,694,547	$ 6,577,129
$ -	$ -	$ 45,750	$ -	$ -	$ 8,056	$ 53,806	$ 55,428
-	-	-	-	-	-	-	713
-	109,714	-	-	69,591	-	179,305	225,044
-	109,714	45,750	-	69,591	8,056	233,111	281,185
-	859,975	-	221,328	38,732	55,554	2,116,865	2,116,865
-	-	-	-	-	-	-	445,765
-	859,975	-	221,328	38,732	55,554	2,116,865	2,562,630
-	-	-	-	-	-	-	1,258,617
-	-	-	-	-	-	-	83,102
-	-	1,144,217	1,214,078	-	65,449	2,423,744	2,423,744
-	-	-	-	-	-	-	65,616
2,932	-	-	-	-	-	100,132	100,132
-	-	-	-	-	-	-	(18,592)
-	(109,714)	-	-	(69,591)	-	(179,305)	(179,305)
2,932	(109,714)	1,144,217	1,214,078	(69,591)	65,449	2,344,571	3,733,314
$ 2,932	$ 859,975	$ 1,189,967	$ 1,435,406	$ 38,732	$ 129,059	$ 4,694,547	$ 6,577,129

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CITY OF DE PERE, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Special Revenue Funds						Capital Projects Funds	
	Development Loan Program	Public Land Acquisition	Riverwalk Pier	Cable Access	Dog Park	Total Special Revenue Funds	Capital Equipment	Community Center
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 600,000	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	110,272	-	110,272	-	-
Public charges for services	-	11,640	-	-	-	11,640	-	-
Miscellaneous	197,694	6,001	73,100	-	1,979	278,774	-	250
Total Revenues	197,694	17,641	73,100	110,272	1,979	400,686	600,000	250
Expenditures								
Current								
Culture and recreation	-	-	-	99,879	1,548	101,427	-	-
Conservation and development	-	-	8,312	8,544	-	16,856	-	-
Debt service								
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	-	945	-	-	-	945	632,387	53
Total Expenditures	-	945	8,312	108,423	1,548	119,228	632,387	53
Excess (Deficiency) of Revenues Over (Under) Expenditures	197,694	16,696	64,788	1,849	431	281,458	(32,387)	197
Other Financing Sources (Uses)								
Long-term debt issued	-	-	-	-	-	-	326,500	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(80,000)	(18,500)	-	(98,500)	(600,000)	-
Total Other Financing Sources (Uses)	-	-	(80,000)	(18,500)	-	(98,500)	(273,500)	-
Net Change in Fund Balances	197,694	16,696	(15,212)	(16,651)	431	182,958	(305,887)	197
Fund Balances (Deficit) - January 1	1,060,923	66,406	65,589	(1,941)	14,808	1,205,785	399,415	3,475
Fund Balances (Deficit) - December 31	$ 1,258,617	$ 83,102	$ 50,377	$ (18,592)	$ 15,239	$ 1,388,743	$ 93,528	$ 3,672

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Capital Projects Funds (Continued)							Total Nonmajor Governmental Funds	
Police/Fire Expansion	TID No.5	TID No.7	TID No.8	TID No.9	TID No. 10	Total Capital Projects Funds	2014	2013
$ -	$ 914,029	$ 163,493	$ -	$ 1,495	$ 42,608	$ 1,721,625	$ 1,721,625	$ 3,004,649
-	3,447	130,076	166,010	2,308	556	302,397	302,397	225,004
-	-	-	-	-	-	-	110,272	109,641
-	-	-	-	-	-	-	11,640	35,980
-	-	344,488	-	-	-	344,738	623,512	288,137
-	917,476	638,057	166,010	3,803	43,164	2,368,760	2,769,446	3,663,411
-	-	-	-	-	-	-	101,427	129,795
-	1,452	4,789	-	33,450	205,040	244,731	261,587	2,666,871
-	150	-	-	-	-	150	150	47,676
-	121,194	254,715	129,901	156,981	126,812	1,422,043	1,422,988	2,383,392
-	122,796	259,504	129,901	190,431	331,852	1,666,924	1,786,152	5,227,734
-	794,680	378,553	36,109	(186,628)	(288,688)	701,836	983,294	(1,564,323)
-	-	-	-	-	-	326,500	326,500	3,780,000
-	-	-	-	-	-	-	-	100,000
-	(1,091,825)	(326,443)	(334,509)	(87,673)	(81,905)	(2,522,355)	(2,620,855)	(3,341,795)
-	(1,091,825)	(326,443)	(334,509)	(87,673)	(81,905)	(2,195,855)	(2,294,355)	538,205
-	(297,145)	52,110	(298,400)	(274,301)	(370,593)	(1,494,019)	(1,311,061)	(1,026,118)
2,932	187,431	1,092,107	1,512,478	204,710	436,042	3,838,590	5,044,375	7,927,022
$ 2,932	$ (109,714)	$ 1,144,217	$ 1,214,078	$ (69,591)	$ 65,449	$ 2,344,571	$ 3,733,314	$ 6,900,904

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CITY OF DE PERE, WISCONSIN
Combining Statement of Net Position
Internal Service Funds
December 31, 2014
(With summarized financial information as of December 31, 2013)

	Health Self Insurance	Dental Self Insurance	Totals 2014	Totals 2013
ASSETS				
Cash and investments	$ 415,485	$ 57,963	$ 473,448	$ 849,613
LIABILITIES				
Accounts and claims payable	74,941	2,610	77,551	177,376
Due to other funds	50,000	10,000	60,000	60,000
TOTAL LIABILITIES	124,941	12,610	137,551	237,376
NET POSITION				
Unrestricted	$ 290,544	$ 45,353	$ 335,897	$ 612,237

CITY OF DE PERE, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

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	Health Self Insurance	Dental Self Insurance	Totals 2014	Totals 2013
Operating Revenues				
Charges for services	$ 2,548,698	$ 126,036	$ 2,674,734	$ 2,934,372
Operating Expenses				
Claims and administrative fees	2,823,423	127,763	2,951,186	3,144,527
Operating Loss	(274,725)	(1,727)	(276,452)	(210,155)
Nonoperating Revenues				
Interest income	112	-	112	132
Change in Net Position	(274,613)	(1,727)	(276,340)	(210,023)
Net Position - January 1	565,157	47,080	612,237	822,260
Net Position - December 31	$ 290,544	$ 45,353	$ 335,897	$ 612,237

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CITY OF DE PERE, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Health Self Insurance	Dental Self Insurance	Totals 2014	Totals 2013
Cash Flows from Operating Activities				
Cash received from interfund services provided	$ 2,548,698	$ 126,036	$ 2,674,734	$ 2,934,372
Cash payments to suppliers	(2,923,568)	(127,443)	(3,051,011)	(3,108,660)
Net Cash Used by Operating Activities	(374,870)	(1,407)	(376,277)	(174,288)
Cash Flows from Investing Activities				
Investment income	112	-	112	132
Change in Cash and Cash Equivalents	(374,758)	(1,407)	(376,165)	(174,156)
Cash and Cash Equivalents - January 1	790,243	59,370	849,613	1,023,769
Cash and Cash Equivalents - December 31	$ 415,485	$ 57,963	$ 473,448	$ 849,613
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:				
Operating loss	$ (274,725)	$ (1,727)	$ (276,452)	$ (210,155)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Changes in current liabilities				
Accounts and claims payable	(100,145)	320	(99,825)	35,867
Net Cash Provided (Used) by Operating Activities	$ (374,870)	$ (1,407)	$ (376,277)	$ (174,288)

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CITY OF DE PERE, WISCONSIN
Water Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues		
Charges for Services		
Residential	$ 2,844,602	$ 2,867,072
Commercial	924,411	928,214
Industrial	489,602	582,096
Public authorities	170,324	138,807
Public fire protection	1,370,657	1,358,438
Total Charges for Services	5,799,596	5,874,627
Other Operating Revenues		
Forfeited discounts	61,424	64,400
Other water revenues	284,883	317,459
Total Other Operating Revenues	346,307	381,859
Total Operating Revenues	6,145,903	6,256,486
Operating Expenses		
Operation and Maintenance		
Source of supply	36,098	51,339
Pumping	84,180	66,228
Water treatment	31,947	42,980
Transmission and distribution	711,613	507,234
Customer accounts	175,950	148,325
Administrative and general	3,612,670	3,631,205
Total Operation and Maintenance	4,652,458	4,447,311
Depreciation	560,434	527,749
Taxes	49,076	44,358
Total Operating Expenses	5,261,968	5,019,418
Operating Income	883,935	1,237,068
Nonoperating Revenues (Expenses)		
Interest and amortization expense	(99,108)	(109,816)
Income Before Contributions and Transfers	784,827	1,127,252
Capital Contributions	-	117,170
Transfers out	(437,330)	(449,518)
Changes in Net Position	347,497	794,904
Net Position - January 1	20,311,299	19,516,395
Net Position - December 31	$ 20,658,796	$ 20,311,299

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ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

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

To the City Council
City of De Pere, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere, Wisconsin, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of De Pere's basic financial statements, and have issued our report thereon dated ___________, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2014-001, 2014-002 and 2014-003 that we consider to be significant deficiencies.

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Compliance and Other Matters

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

City of De Pere, Wisconsin's Response to Findings

City of De Pere, Wisconsin's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City of De Pere, Wisconsin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Certified Public Accountants
Green Bay, Wisconsin
_____________, 2015

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CITY OF DE PERE, WISCONSIN
Schedule of Findings and Responses
For the Year Ended December 31, 2014

Section I - Internal Control Over Financial Reporting

Finding No.	Control Deficiencies

2014-001 Preparation of Annual Financial Report

Condition: Current City staff maintain accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.

Criteria: The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Cause: City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect: Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Recommendation: We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.

Management Response:

2014-002 Adjustments to the City's Financial Records

Condition: As part of our 2014 audit, we proposed adjusting journal entries that were material to the City's financial statement.

Criteria: Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

Cause: While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.

Effect: Year-end financial records prepared by the City may contain material misstatements.

Recommendation: We recommend the City Finance Director work to prepare the adjusting and closing entries necessary, prior to the audit, to reduce the risk of material misstatement to the financial statements.

Management Response:

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CITY OF DE PERE, WISCONSIN
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2014

Section I - Internal Control Over Financial Reporting (Continued)

Finding No.	Control Deficiencies
2014-003	**Capital Asset Additions and Disposals**
Condition:	City staff provides us with the current year asset additions and disposals, the method and rate of depreciation and the salvage value of the assets. From this information, we assist the City in recording the capital asset additions and disposals and calculating the annual depreciation expense. During our 2014 audit, we identified material capital asset additions and disposals that were not reported to us by City staff.
Criteria:	A material adjustment to the underlying accounting records is considered to be an internal control deficiency.
Cause:	The City does not have a system in place to identify capital asset transactions throughout the year.
Effect:	The City could have capital assets transactions which are not reflected in the detailed capital records and the annual financial report.
Recommendation:	We recommend the City develop a system to identify capital asset additions and disposals throughout the year.
Management Response:	

Section II - Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2014.

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE:	**August 11, 2015**
DEPARTMENT:	**Finance/Personnel Committee**
FROM:	**Lawrence Delo**
SUBJECT:	**Discussion Regarding Status of 2016 Budget Development.**