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PUBLIC NOTICE OF A COMMITTEE MEETING OF THE CITY OF WATERLOO COMMON COUNCIL

Pursuant to Section 19.84 Wisconsin Statutes, notice is hereby given to the public and news media, that a public meeting will be held to consider the following:

COMMITTEE: FINANCE, INSURANCE & PERSONNEL COMMITTEE
DATE: January 14, 2019
TIME: 7:00 pm
LOCATION: Municipal Building Council Chamber, 136 N. Monroe Street

1. CALL TO ORDER AND ROLL CALL
2. MEETING MINUTES APPROVAL – December 19, 2019
3. PUBLIC COMMENT
4. NEW BUSINESS
 - a. Municipal Policy Review – Purchasing And Procurement
 - b. 2019 Carry Overs ***
 - c. Converting To A Biennial Budget Process
 - d. December Financial Statements
 - i. General Disbursements - being calculated ***
 - ii. Payroll – being calculated ***
 - iii. Preliminary Treasurer's Report & Budget Reports ***
5. FUTURE AGENDA ITEMS AND ANNOUNCEMENTS
 - a. Tax Incremental Finance Districts 1-4, Return On Investment By Project Report
 - b. Committee Calendar
6. ADJOURNMENT

Mo Hansen

Mo Hansen
Clerk/Treasurer

***See Council Packet; Digital Version As Stand Alone Document On Webpage

Committee Members: Thomas, Griffin and Kuhl

Posted, Emailed & Distributed: 01/09/2020

PLEASE NOTE: It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above meeting(s) to gather information. No action will be taken by any governmental body other than that specifically noticed. Also, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request such services please contact the clerk's office at the above location.

CITY OF WATERLOO FINANCE, INSURANCE & PERSONNEL COMMITTEE: MEETING MINUTES
December 19, 2019

1. CALL TO ORDER AND ROLL CALL. Thomas called the meeting to order at 6:00 p.m. Members present: Thomas, Kuhl & Griffin. Absent: none. Also attending: Mark and Amanda Herbst; Mayor Quimby; Utility Superintendent Barry Sorenson; Public Works Director Chad Yerges; Parks Coordinator Gabe Haberkorn arriving at 6:30 p.m. and Clerk/Treasurer Hansen.
2. MEETING MINUTES APPROVAL: 08/29/2019, 09/03/2019, 10/01/2019 08/15/2019, 09/19/2019, 10/17/2019, 11/21/2019 Meetings. MOTION: Moved by Kuhl, seconded by Griffin to approve all minutes as presented. VOICE VOTE: Motion carried.
3. PUBLIC COMMENT. None.
4. UNFINISHED BUSINESS
 - a. 2020 Property And Liability Insurance Renewals. MOTION: Moved by Kuhl, seconded by Griffin to recommend Council approval of all insurance renewals as presented with the amendment of increasing the premium for property insurance with a reduction in the deductible from \$25,000 to \$10,000. VOICE VOTE: Motion carried.
 - b. Park Budget. NOTE: By consensus the Committee tabled the matter until the Parks Coordinator was able to join the meeting. The Committee resumed this item after item 5b at 6:36 p.m. DISCUSSION: Haberkorn said the 2020 approved budget should have shown a positive fund balance making the Shoe Factory sub-fund balance and the Carousel sub-fund balance positive. Kuhl asked if additional expenditures should have been considered? Hansen said 2020 success could be defined as having revenues equal expenditures for Fund 225 in 2020. Thomas said the budget was approved and nothing would be done this year. He suggested looking at the matter in the next budget. No action taken.
5. NEW BUSINESS
 - a. Public Works Department Request - Bobcat Tooth Bucket. DISCUSSION: Yerges said a tooth bucket would cost \$1,256.00. He said that sum was unspent in the 2019 budget under Storm Sewer. Hansen said the expense was a capital item. He questioned if the Committee had authority to authorize the expenditures, stating that the Council had not delegated authority to the Committee in the adopted policies. Quimby asked for a copy of the Budget Policies and Procedures. MOTION: Moved by Griffin, seconded by Kuhl to recommend to the Council that it authorize the expenditure. VOICE VOTE: Motion carried.
 - b. November Financial Statements. MOTION: Moved by Kuhl, seconded by Griffin to recommend Council approval of items i, ii & iii. VOICE VOTE: Motion carried.
 - i. General Disbursements - \$112,636.90 ***
 - ii. Payroll - \$66,567.68 ***
 - iii. Treasurer's Report & Budget Reports ***
6. FUTURE AGENDA ITEMS AND ANNOUNCEMENTS. Noted.
 - a. Purchasing Policy
 - b. Tax Incremental Finance Districts 1-4, Return On Investment By Project Report (report incomplete)
 - c. 2019 Carry Overs [January]
 - d. Committee Calendar
7. ADJOURNMENT. MOTION: Moved by Kuhl, seconded by Griffin to adjourn. VOICE VOTE: Motion carried. The time was approximately 6:45 pm.



Mo Hansen
Clerk/Treasurer



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RESOLUTION #2009-33

CITY OF WATERLOO BUDGET POLICIES AND PROCEDURES

WHEREAS, the Common Council passed Ordinance #2009-07 amending the municipal code to allow for budgetary discretion on the part of department heads at its regularly scheduled July 2, 2009 meeting, and;

WHEREAS, that ordinance called for the adoption of a budget policy and procedure document which the Council may revise and update from time to time;

BE IT RESOLVED, that the City of Waterloo Common Council adopts the document presented by the Clerk/Treasurer titled City of Waterloo Budget Policies and Procedures and dated July 16, 2009.

ADOPTED this 16th day of July 2009.

CITY OF WATERLOO

Signed _____
Robert H. Thompson, Mayor

Attest: _____
Morton Hansen, City Clerk/Treasurer

SPONSOR(S) – Clerk/Treasurer
FISCAL NOTE – none

I. POLICY OBJECTIVES

Legislative approval for all municipal budgets is required by state statutes.

The state does allow for flexibility as to the level of budget control in place for a municipal legislative body over a municipal budget. Prior to the adoption of Ordinance #2009-07 the City of Waterloo ordinances were silent on the matter and therefore each individual budgeted line item became the level to which laws pertained.

The initial policy objective is to call for overall budgetary control to rise to the department level with some added control put in place. That is the only objective which this document addresses. As stated in Ordinance #2009-07, this document can be revised from time to time by resolution of the Common Council.

II. GENERAL POLICY PROVISIONS

POLICY 1. The departmental budgetary level shall be the overall level of control for budget approvals. Heads of departments shall have a limited amount of discretion within the budget of the department.

SUBMITTING BUDGET FOR LEGISLATIVE APPROVAL:

Heads of Department shall submit budgets for legislative consideration on a line item basis using forms provided by the Clerk/Treasurer's office.

BUDGETARY DISCRETION FOR HEADS OF DEPARTMENTS:

Upon written notice submitted to the Clerk/Treasurer within the current budget year, heads of municipal departments shall have the authority to revise budgeted expenditure line items within a range of defined categories in his/her departmental budget.

The departmental budget revision meeting all the conditions stated shall:

- have no net increase or decrease in the departmental budgeted expenditure amount
- be limited to departmental line items other than capital purchases, outlays and personnel
- not require Council approval.

The following are defined as heads of departments: the Mayor, City Assessor, Clerk/Treasurer, Police Chief, Emergency Government Director, Public Works Director, Library Director, Youth Center Director, CATV/WLOO Director, Fire Chief and Utility Superintendent with the understanding that the municipal code speaks to separate budgetary responsibilities for the Utility Superintendent.

CHAPTER 65

MUNICIPAL BUDGET SYSTEMS

65.01	Application of this chapter.	65.06	Funds, how expended.
65.02	Definitions.	65.07	Power of council to levy taxes.
65.025	Biennial budget procedures.	65.10	City officers to pay receipts monthly.
65.03	Departmental estimates.	65.20	Executive budget procedures in cities of the 1st class.
65.04	Meetings of board of estimates.	65.90	Municipal budgets.
65.05	Adoption of budget; changes, how made.		

65.01 Application of this chapter. The common council of any city of the 2nd, 3rd, or 4th class may by ordinance adopted by three-fourths of all its members accept the provisions of ss. 65.02, 65.025, 65.03 and 65.04 which when so accepted shall be in full force and effect as to any such city. Except as above provided ss. 65.01 to 65.20 shall apply only to cities of the 1st class.

History: 1977 c. 109; 2019 a. 42.

65.02 Definitions. (1) **DEPARTMENT.** In this chapter “department” or “departments” means any department, board, commission or other body under the control of the common council which expends city funds or incurs obligations for the city, and unless otherwise expressed refers to the head of such department.

(2) **ESTIMATE.** The term “estimate” as used in this chapter shall include any written report of or the request of any department setting forth in detail the various sums and purposes it deems reasonably necessary to perform its functions.

(3) **BOARD OF ESTIMATES.** The board of estimates shall be the mayor, the president of the common council, comptroller, treasurer, city attorney, commissioner of public works and the members of the finance committee of the common council.

(4) **PRESIDENT AND SECRETARY.** The mayor shall be president of the board and the comptroller shall be the secretary. The secretary shall keep a record of the proceedings of the board and perform such other duties as may be required by the board.

(5) **BUDGET.** The budget shall provide a complete financial plan for the ensuing budget period. It shall contain in tabular form, for each fiscal year:

- (a) A general summary;
- (b) Detailed estimates of all anticipated revenues applicable to proposed expenditures;
- (c) All proposed expenditures;
- (d) A compensation schedule to provide uniform rates of pay for offices and positions in the city service. The total of such proposed expenditures shall not exceed the total of such anticipated revenues.

(5m) **BUDGET PERIOD.** In ss. 65.01 to 65.20, “budget period” means 2 consecutive fiscal years covered by a biennial budget adopted by a city that has acted under s. 62.025 [s. 65.025], or an annual budget for any other city that has not acted to adopt a biennial budget under s. 65.025.

NOTE: The correct cross-reference is shown in brackets. Corrective legislation is pending.

(6) **BUDGET SUMMARY.** (a) For a budget period, the budget summary shall itemize the principal sources of anticipated revenues and shall state separately the amount to be raised by property tax, and the proposed expenditures of each department, bureau, board and commission in such manner as to present to the public a simple and clear summary of the detailed estimates of the budget.

(b) For a budget period, the budget summary shall also include all of the following:

1. The total amount of budgeted expenditures for the current year.

2. The proposed amount of total expenditures and the percentage change compared to the amount in subd. 1.

3. The property tax levy for the current year.

4. The proposed property tax levy and the percentage change compared to the amount in subd. 3.

(7) **ANTICIPATED REVENUES.** Anticipated revenues shall be classified as “surplus”, “miscellaneous revenues” and “amount to be raised by property tax”; miscellaneous revenues shall be listed by the sources from which such revenues are to be derived.

(8) **PROPOSED EXPENDITURES.** For a budget period, separate provisions shall be included in the proposed budget for at least:

(a) The administration, operation and maintenance of each department, bureau, board, commission and division thereof, itemized by kind and nature of expenditure as required by the board of estimates.

(b) The number, title and compensation range of each officer, and of each position and the proposed appropriation for the same shall be itemized according to the divisions in each department, bureau, board and commission and shall be incorporated in and published with the rest of the proposed budget.

(c) Expenditures proposed for improvements.

(9) **UNIFORM COMPENSATION SCHEDULE.** The compensation schedule shall provide for and establish uniform rates of pay for offices and positions in the city service to be in effect for the ensuing fiscal year.

(10) **PROPOSED EXPENDITURES; COMPARISON WITH OTHER YEARS.** The board of estimates shall direct that there be placed opposite the several items of proposed expenditures for the ensuing budget period, adequate comparisons with the budgets and expenditures of other years.

(11) **ANTICIPATED REVENUES; COMPARISON WITH OTHER YEARS.** The board of estimates shall direct that there be placed opposite the several items of anticipated revenues for the ensuing budget period, adequate comparisons with the anticipated revenues and receipts of other years.

History: 1971 c. 154; 1989 a. 31; 1991 a. 316; 2019 a. 42.

65.025 Biennial budget procedures. (1) A city may adopt a biennial budget by implementing the procedures under this section and using the procedures under ss. 65.02 to 65.20. If a city chooses to adopt a biennial budget, it shall adopt such a budget in an odd-numbered year for the next 2 fiscal years that follow immediately the year in which the budget is adopted.

(2) For a city to proceed under this section, the common council shall adopt a resolution or enact an ordinance stating its intent to adopt a biennial budget. Once a resolution is adopted or an ordinance is enacted, such an action takes effect and may not be reconsidered or repealed, except as provided in sub. (3).

(3) A common council that has adopted a biennial budget procedure as provided in this section may return to the use of an annual budget procedure if the common council, by a two-thirds majority vote, adopts a resolution or enacts an ordinance stating its intent to adopt an annual budget.

(4) A common council or a committee authorized by the common council may, at any time, decrease appropriation amounts in a biennial budget.

(5) In October or November of an even-numbered year, the common council may change any appropriation or revenue amount in relation to the 2nd year of the biennial budget by a simple majority vote of the members—elect, as defined in s. 59.001 (2m).

History: 2019 a. 42; s. 35.17 correction in (2), (5).

65.03 Departmental estimates. (1) It shall be the duty of each department to file with the secretary of the board of estimates not later than August 1 of each year on forms approved by the board of estimates an estimate in detail of the department's needs for the ensuing fiscal year, including a statement of any permanent improvements to be made and an estimate of expenditures therefor, and including such information supplied in such form as the board of estimates may direct. If the city is using biennial budgeting, the forms described in this subsection shall also detail the changes between the first and 2nd year of the biennium.

(2) Any department whose funds are not subject to the control of the common council may include in its estimate such sum as it may deem reasonably necessary for a contingent fund for emergency purposes or other purposes which may arise during the year requiring the expenditure of money in addition to the sums provided for the several purposes or for purposes for which no express provision is made in the budget.

History: 2019 a. 42.

65.04 Meetings of board of estimates. (1) MEETING; REPORT OF ESTIMATES. The board of estimates shall meet not later than September 10 of each year. The secretary shall place before the board the reports of estimates filed with the secretary by the departments together with the comptroller's statement of anticipated revenues for the ensuing budget period, or the 2nd year of a biennium in an even-numbered year, and the adequate comparisons with other years as provided in s. 65.02 (5) to (11). The budget summary shall be published forthwith in at least one and not more than 2 daily newspapers having the largest circulation in the city as a class 1 notice, under ch. 985, and in the proceedings of the common council; and a copy of the entire proposed budget shall be available for public inspection in the office of the city comptroller.

(2) PROPOSED BUDGET; PUBLICATION OF SUMMARY. From the estimates before it the board shall make and submit to the common council, on or before October 25 each budget period, a proposed budget setting forth in detail the amounts proposed to be spent by each department and the various purposes therefor and the amounts of money for each purpose it is proposed shall be appropriated by the council. The proposed budget shall comply with s. 65.02 (5) to (11). The budget summary shall be published forthwith in at least one and not more than 2 daily newspapers having the largest circulation in the city as a class 1 notice, under ch. 985, and the proposed budget summary shall be printed forthwith in the proceedings of the common council. If any department fails to file its estimates as herein provided the board shall make a proposed budget for such department specifying the purposes for which and the amount of funds such department may expend.

(3) CHANGES BY BOARD. The board shall not change any sum or purpose of any department which by law is authorized to determine the purposes of its expenditures and the tax to be levied therefor, unless such department by formal resolution shall so determine by an affirmative vote of a majority of its members, when the board shall then make the change and include a certified copy of such resolution with its estimates to be filed with the common council.

(4) CONTINGENT FUND. In addition to the purposes required to be set forth in detail the board may provide a contingent fund for such sum as they may deem reasonably necessary for emergency and other purposes that may arise during the budget period requiring the expenditure of money in addition to the sums provided for

the several purposes, and for purposes for which no express provision is made in the budget.

(5) BONDS; MORTGAGE CERTIFICATES. The board shall also include in its budget the amount of bonds, the purposes therefor, and the required mortgage certificates to be issued during the budget period, except such bonds as are authorized to be omitted by express provision of law.

(6) MEETINGS PUBLIC. All meetings of the board shall be public.

(7) PUBLICATION OF NOTICE OF PUBLIC HEARINGS. At the meeting of the common council at which the proposed budget is submitted by the board of estimates, the common council shall determine the place and time of a public hearing on the budget which shall be held jointly by the common council and by the board of estimates not less than 10 days after the publication provided in s. 65.04 (2), nor later than November 10. The common council shall cause a notice of the place and time of said hearing to be published as a class 1 notice, under ch. 985, which hearing shall be not less than 7 days after the date of the last publication of said notice in at least one and not more than 2 daily newspapers having the largest circulation in the city.

(8) DUTIES OF THE FINANCE COMMITTEE. The finance committee of the common council shall submit to the common council as soon after October 25 as may be practicable, but not later than November 20, a report or reports showing the number, title, compensation range of each officer and each position in the city service:

(a) The number, title and compensation range of each officer and each position in the city service and the proposed appropriation for the same recommended for the ensuing year; and

(b) A recommended compensation schedule of uniform rates of pay for offices and positions in the city service.

(9) DUTIES OF BUDGET SUPERVISOR. The budget supervisor or the head of the department having responsibility for the preparation or the analyzing of the budget, may be secretary of the board of estimates, if so directed by common council ordinance; that person shall not however be entitled to a vote on such board.

History: 1971 c. 267; 1991 a. 316; 2019 a. 42.

65.05 Adoption of budget; changes, how made.

(1) The common council, by vote of the majority of all the alderpersons, may make such changes in the proposed budget submitted by the board of estimates, and by the finance committee, either as to purposes or amounts for which money may be expended and as to purposes or amounts for which bonds or mortgage certificates may be issued as it may deem best.

(2) The common council shall not change the purposes or amounts provided in the proposed budget as submitted to it for the departments which by law are authorized to determine their expenditures and the taxes to be levied therefor, unless such department by formal resolution adopted by a majority of all its members shall authorize such change, nor shall the common council change the purposes or amounts of the bond or mortgage certificate issues which are required to be issued by law.

(3) When any department, authorized to determine its expenditures and the taxes to be levied therefor, shall authorize a change in its budget by the common council, the department shall file its resolution authorizing the change with the city clerk at least 2 days prior to the time fixed by law for the adoption of the budget, and the council shall then make the change in accordance with the resolution.

(4) For each budget period, the common council, on or before November 14, shall adopt the proposed budget by a majority vote of all the alderpersons either as submitted or as changed by the council. It shall not be necessary to refer the budget to a committee of the common council.

(5) The budget submitted by the board to the council as changed by the council within the time therein provided shall constitute the budget of the city for the following budget period

whether or not any formal resolution or motion adopting it has been passed by the common council. Within 5 days either after its formal adoption by the council or by operation of law it shall be certified by the city clerk to the mayor for the mayor's approval.

(6) If the mayor approves the budget the mayor shall sign it. The mayor shall have power only to disapprove of any item or items therein under the control of the common council and upon disapproving any item or items the mayor shall return the budget to the clerk with a written statement of the mayor's objections to those items and the reasons therefor.

(7) The common council shall vote on each item disapproved by the mayor separately, and if the mayor's disapproval is sustained it shall affect only the items disapproved and sustained. The council may then proceed, by an affirmative vote of a majority of the alderpersons, to adopt a substitute for the item rejected which shall be separately submitted to the mayor subject to the mayor's approval. All items not disapproved by the mayor and sustained by the council shall constitute the budget and be in full force. The city clerk shall have the budget printed. The printed budget shall be filed in the office of the comptroller and made available for general distribution. In case of an obvious error in authorizing any salary or position as provided in s. 65.02 (8) (b), the common council may by a three-fourths vote of all its members correct such error in the period between the adoption of the budget and December 31 inclusive of each year.

(8) Except as provided in s. 65.025 (5), the adoption of the budget shall determine the amount of money to be levied upon all taxable property in the city for the ensuing budget period. The tax levy shall be computed by deducting the surplus and miscellaneous revenues available therefor from the appropriations for expenditures for the ensuing year. The city comptroller shall then certify the necessary taxes to be levied to the commissioner of assessments, who shall calculate the tax rate. Such tax rate shall be the rate of the ensuing tax levy.

(9) The compensation rates of pay and the number of positions established in the budget shall determine the compensation to be paid and the number of positions for the ensuing budget period except that additional positions may be established where necessary during the year by resolution adopted by three-fourths vote of all the alderpersons.

History: 1987 a. 289; 1989 a. 266; 1991 a. 156, 316; 1993 a. 184, 381, 491; 1995 a. 225; 2019 a. 42.

65.06 Funds, how expended. (1) Except as provided in s. 65.025 (5), no money may be expended and no liabilities incurred by the city or any department unless otherwise specially authorized by law during the budget period, in excess of the amounts specified or except as hereinafter provided for any other purpose than as designated therein, provided, however, that whenever the city department that is responsible for a water system desires to make a contract extending over a period of more than one year for additions to the plant in excess of the estimated revenue for the budget period, if in the opinion of the board of estimates there will be money available to meet the payments on the contract as they may come due, then, by a majority vote of the board, they may authorize the comptroller to countersign such contract.

(2) Whenever a department is reimbursed for materials or services furnished, and the funds so received are not by law credited to some particular fund, the department may spend the money so received for the same purpose for which the money was originally appropriated in the budget.

(3) Whenever a department whose funds are subject to the control of the common council shall find it necessary to expend a greater sum than authorized by the budget for such specific purpose, and the department shall find it unnecessary to spend a sum as authorized for some other purpose, the department may request the secretary of the board of estimates to authorize the funds unnecessary for one purpose to be transferred to the purpose for which the greater sum is needed, stating the reasons therefor in writing. The secretary shall immediately submit such request to

the mayor who shall call a meeting of the board forthwith at which the board may by a majority vote authorize the change, if the change shall be deemed advisable. Thereupon the secretary shall immediately certify the action of the board to the comptroller and the change shall be made in accordance with the action of the board.

(4) Any department authorized by law to fix its own tax levy may change at a regular meeting or one called for that purpose any appropriation specified in the budget for one purpose which is found unnecessary for that purpose to another purpose which the department shall find necessary to spend a greater sum than specified in the budget for that purpose. The department shall certify its action to the comptroller and the change shall be made accordingly.

(5) No department shall spend a greater sum than is appropriated by the budget for that department except as provided in s. 65.025 (5) and except:

(a) Unexpended balances from the proceeds of bonds or mortgage certificates carried over from the preceding year may be expended for the purposes for which the bonds or certificates were issued; and

(b) Any department whose funds are subject to the control of the common council may expend funds for the purpose appropriated by the common council from the contingent fund.

(6) (a) The common council by resolution adopted by a three-fourths vote of all the alderpersons, may appropriate money from its contingent fund for any lawful purpose.

(b) The common council at any time after the adoption of the budget may, by resolution adopted by a majority vote of the members thereof direct the proper officers of any department to expend such sum or sums of money as are specially appropriated out of any specific fund under its control for any of the several purposes enumerated therein. The adoption of such resolution shall be the authority for such department to proceed and expend such specified sum for the purpose as directed therein.

(7) Any department whose funds are not subject to the common council may by vote of three-fourths of all its members appropriate money out of its contingent fund for any purpose for which it is authorized to spend money. Before the department shall spend any such funds it shall certify to the comptroller its action and the purpose for which such sum was appropriated.

(8) Any department charged by law with the construction, extension, operation and maintenance of a water system, lighting system or public utility may spend money from the surplus revenue of the water system, lighting system or utility in addition to the sum specified in the budget when deemed necessary to maintain the service, upon being authorized so to do by a three-fourths vote of all the alderpersons of the common council, specifying by resolution the purpose for which and the sum appropriated. Before any money shall be so expended a copy of the resolution authorizing it shall be certified to the comptroller.

(9) Unless otherwise specifically provided by law, no municipal bonds other than those provided for in the budget shall be issued during the ensuing fiscal year, except in case of great emergency when necessary to protect the public health or safety, and then only when authorized by the common council by a three-fourths vote of all the alderpersons.

(10) The city may expend any money or incur liabilities for any purposes which by law are assessable as benefits against parcels of land or are a legal charge against such parcels of land.

(11) Every officer or employee who shall violate or participate in the violation of the provisions of this chapter shall be personally liable to the city for all loss or damage to the city occasioned thereby.

(12) The adoption of the budget shall be authority for the expenditure by a department for the purposes therein provided and of the amounts assigned to the department thereby and no further action by the common council shall be necessary to authorize any department to make such expenditures, except that as provided

herein it shall not authorize the expenditure of any money from the contingent fund of the common council.

(13) The common council may at any time suspend the expenditure of any fund assigned to any department by the budget which has not been expended or reserved for the payment of indebtedness incurred by the department. Such action by the council shall be by a majority vote of all the alderpersons but shall not apply to the funds of a department which determines its own tax levy and whose funds are not subject to the control of the common council.

(14) The adoption of the budget for any budget period shall not authorize the expenditure of any funds for the succeeding budget period except for indebtedness incurred during the budget year.

(15) All funds subject to the control of the common council assigned by the budget to a department not expended during the budget period and not reserved for indebtedness incurred during the budget period shall revert to the general revenues of the city.

(16) All funds of a department not subject to the control of the common council and not expended or reserved for indebtedness shall become a part of the general revenues of such department.

(17) Subsections (13), (14), (15) and (16) do not apply to the expenditure of funds, the proceeds of bonds or mortgage certificates, nor the surplus revenues of any water system, lighting system or municipally owned utility. In establishing the budget format with respect to funds and accounts related to proprietary operations, the common council may authorize accounting procedures which follow the uniform system of accounts authorized by the public service commission in the case of municipal utilities or accepted commercial accounting practices in other instances.

(18) The omission from the budget of any of the following items shall not prevent the placing of the same on the tax roll for the levy and collection of the tax and the payment of the money therefor:

(a) The payment of interest on or the principal of any bonded debt of the city when due;

(b) The payment of principal and interest on mortgages or mortgage certificates when due; and

(c) Funds required to be raised by any mandatory provision of law.

History: 1993 a. 184; 1995 a. 378; 2019 a. 42.

65.07 Power of council to levy taxes. (1) The common council shall have power to levy annually a tax upon all the taxable property in the city for the following purposes:

(a) A sufficient general city fund to pay the expenses of city departments, boards and commissions which are subject to the control of the common council. The rate of taxation for the purposes enumerated in this paragraph shall be established only by affirmative vote of at least two-thirds of all members elected to the common council.

(b) A fund to pay the city's contribution to the fire fighters' and police officers' pension fund and for any similar fund which may be created by law.

(c) A sufficient permanent improvement fund for any purpose authorized by s. 66.0913 (1), 67.04 or 67.12 for which money may be borrowed or bonds issued, and for the initial furniture, fixtures, machinery and equipment required in such new facilities permitted thereunder.

(d) A sufficient sewerage fund to maintain and operate any sewerage disposal plant.

(e) A school operations fund, as constituted and for the purposes specified in s. 119.46 (1).

(f) A school construction fund, as constituted and for the purposes specified in s. 119.48, not exceeding 0.6 mills on each dollar of the assessed valuation of all taxable property in the city.

(g) A school extension fund, as constituted and for the purposes specified in s. 119.47.

(i) A delinquent tax fund.

(j) A sufficient fund to pay the interest and principal on the funded debt falling due within the year.

(k) A public improvement reserve fund.

(L) A sufficient common council contingent fund.

(m) A debt service fund for school building purposes as provided in s. 120.10 (10).

(o) A tax stabilization fund.

(p) Notwithstanding the provisions of s. 65.06 (14) and (15), the common council may by resolution authorize the carrying over of unexpended funds which have been appropriated to a department for additional periods not to exceed 3 years from the year in which they were appropriated.

(q) An operating fund which may be carried over by the common council from year to year for the purpose of accumulating sums necessary to purchase buildings, machinery, equipment, and appurtenances thereto required for municipal purposes.

(r) 1. A tax equalization fund under the control of the common council. A levy for the purposes of this fund may be made against all taxable property in the city whenever as the result of any consolidation of a municipality, as defined in s. 345.05, with the city there is included within the city any area subject to taxes levied by any municipality except a county or metropolitan sewerage district at a rate different than that which is applicable for the same purposes in the city other than the consolidated portion thereof. To create such fund the common council may levy a tax in the consolidated area equivalent to the proceeds of a city tax for the same purpose if levied in such area and in addition may levy in such city, including the consolidated area, a tax calculated to produce a sum sufficient to meet the requirements of such other municipality properly certified to such city so as to result in taxation at a uniform rate for such purposes in the city including the consolidated area. Appropriations may be made from such fund to pay certifications of school districts lying wholly or partially in the area consolidated.

2. This paragraph shall apply to any tax levy in a consolidated area on January 1, 1958, and thereafter.

(s) A liability reserve fund for the purpose of paying liability claims against the city or premiums on insurance to pay such claims. The governing body may allow amounts appropriated to the fund to accumulate from year to year. The annual taxes levied for this purpose may not exceed the level necessary to collect the amount recommended by an actuary, in accordance with generally accepted actuarial principles, that will be sufficient to pay any insurance premiums and the uninsured portion of claims that are anticipated to be made based on occurrences during the year in which the tax is collected. Payment of claims and premiums may either be made directly from the reserve account or appropriations may be made from the reserve account to an operating account for such payments. No other transfers may be made from the fund except in accordance with the procedure specified in s. 65.06 (6) (a) and unless:

1. If the fund is to be dissolved, an actuary has determined that all claims that are to be paid from the fund have been paid or a sufficient reserve has been created from the fund to pay such claims; or

2. If the fund is to be continued and the types of claims or the amount of coverage of claims by the fund is to be reduced, an actuary has determined, under generally accepted actuarial principles, that the balance in the fund exceeds the amount necessary to pay claims and premiums and the amount transferred is not more than the excess amount.

(2) The common council may allow funds established under sub. (1) (c), (i), (k), (o), (r) and (s) to accumulate from year to year.

History: 1971 c. 152 s. 38; 1971 c. 154; 1973 c. 90, 333; 1975 c. 39, 80, 200, 224; 1977 c. 113 ss. 4, 6; 1977 c. 203 s. 101; 1977 c. 418 ss. 402 to 407, 929 (42); 1979 c. 34; 1981 c. 20, 61, 93; 1983 a. 27; 1983 a. 207 ss. 93 (8), 95; 1985 a. 29, 135; 1985 a. 225 ss. 28, 100; 1987 a. 27, 377; 1993 a. 437; 1995 a. 27; 1999 a. 150 s. 672; 2005 a. 453.

65.10 City officers to pay receipts monthly. Each city officer shall keep an itemized and accurate account of all moneys received by the officer in the officer's official capacity for fees, commissions and otherwise, and shall at the end of each month, during that officer's term of office, pay into the city treasury all such money in that officer's hands and file a duly verified copy of that officer's account with the city comptroller, together with a receipt of the city treasurer showing that such money has been paid into the city treasury. Until such account and receipt are so filed, it shall not be lawful for the common council or city officer, to order, draw, countersign or deliver any warrant for the payment of the salary or allowance of any such delinquent officer.

History: 1991 a. 316.

65.20 Executive budget procedures in cities of the 1st class. (1) ALTERNATIVE. As an alternative to any other budget procedure under this chapter, the common council of any city of the 1st class may, by adoption of a charter ordinance, permanently transfer the duties and responsibilities of the board of estimates relating to the preparation of the proposed budget under ss. 65.02 to 65.06 to the mayor of such city. Any charter ordinance adopted under this section shall provide that:

(a) The functions of the board of estimates relating to the preparation of the city budget are permanently transferred to the mayor who shall prepare the proposed budget and present it to the common council. The budget presented by the mayor shall be called the "executive budget" and its contents shall comply with the requirements of ss. 65.02 to 65.04 in all respects, consistent with any variation that is necessary due to the common council having adopted a biennial budget procedure under s. 65.025.

(am) Any budget department existing on October 25, 1977 shall be transferred to the office of the mayor. The director and employees of the department shall retain their civil service status.

(b) Each department shall submit to the mayor not later than the 2nd Tuesday in May of each budget period on forms approved by the budget director an estimate in detail of the department's needs for the ensuing budget period, including a statement of any permanent improvements to be made and an estimate of expenditures therefor, and including such information supplied in such form as the mayor requests.

(c) Any department whose funds are not subject to the control of the common council may include in its estimate such sum as it deems reasonably necessary for a contingent fund for emergency purposes or other purposes which may arise during the budget period requiring the expenditure of money in addition to the sums provided for the several purposes or for purposes for which no express provision is made in the budget.

(d) The mayor shall hold hearings with respect to departmental requests at the times and places the mayor or the common council, by ordinance, directs. All hearings shall be open to the public. The mayor shall conduct the hearings in the manner in which the mayor determines best suited to fulfilling the purpose of the hearings. For each budget period, the mayor shall prepare a requested budget summary which shall be published at least once prior to the commencement of the hearings in the newspaper having the largest circulation in the city. A complete copy of the entire requested budget shall be made available for public inspection in the office of the city clerk.

(e) From the estimates before him or her, the mayor shall make and submit to the common council, on or before September 28 each budget period, a proposed budget setting forth in detail the amounts proposed to be spent by each department and the various purposes therefor and the amounts of money for each purpose it is proposed shall be appropriated by the council. The proposed budget shall comply with s. 65.02 (5) to (11). The proposed budget summary shall be published forthwith in at least one and not more than 2 daily newspapers having the largest circulation in the city as a class 1 notice, under ch. 985, and the proposed budget summary shall be printed forthwith in the proceedings of the common council. A complete copy of the entire proposed budget shall

be made available for inspection in the office of the city clerk. If any department fails to file its estimates as provided in this section, the mayor shall make a proposed budget for the department specifying the purposes for which and the amount of funds the department may expend.

(f) The mayor may not change any sum or purpose of any department which by law is authorized to determine the purposes of its expenditures and the tax to be levied therefor, unless the department by formal resolution shall so determine by an affirmative vote of a majority of its members. The mayor shall then make the change and include a certified copy of the resolution with its estimates to be filed with the common council.

(g) In addition to the purposes required to be set forth in detail, the mayor may provide a contingent fund for such sum as the mayor deems reasonably necessary for emergency and other purposes that may arise during the budget period requiring the expenditure of money in addition to the sums provided for the several purposes, and for purposes for which no express provision is made in the budget.

(h) The mayor shall also include in the proposed budget the amount of bonds and the purposes for them, to be issued during the budget period, except such bonds as are authorized to be omitted by express provision of law. Bonds authorized to be omitted include bonds issued for the purpose of refunding prior indebtedness of the city.

(i) At the meeting of the common council at which the proposed budget is submitted by the mayor, the common council shall determine the place and time of a public hearing on the budget which shall be held jointly by the common council and by the mayor not less than 10 days after the publication under par. (e), nor later than October 20. The common council shall cause a notice of the place and time of the hearing to be published as a class 1 notice, under ch. 985, which hearing may not be less than 7 days after the date of the last publication of the notice in at least one and not more than 2 daily newspapers having the largest circulation in the city.

(j) All functions of the board of estimates and the budget examining committee not related to the preparation of the proposed budget are transferred to the finance committee of the common council, except that any administrative matter shall be delegated to a budget department existing under par. (am) or by a budget department created under sub. (2).

(k) The operating and corporation budget shall be prepared on a program basis, a performance basis or similar basis. The budget shall be in the technical form prescribed by a budget department existing under par. (am) or by a budget department created under sub. (2).

(2) CREATION OF BUDGET DEPARTMENT BY CHARTER ORDINANCE. If the city council adopts a charter ordinance under sub. (1), the city council may also adopt a charter ordinance which establishes a budget department in the office of the mayor and which defines the department's authority and operational procedures. A charter ordinance adopted under this subsection shall provide that:

(a) The budget director and employees of the budget department shall be selected under civil service rules and procedures. The budget department shall assist in preparing and analyzing the budget and shall be responsible to the mayor.

(b) The budget department shall make special studies, provide budget and management analysis and information and perform any other duties related to the department's functions, as the council determines are necessary.

History: 1977 c. 109; 1983 a. 207, 234, 538; 1987 a. 289; 1989 a. 266; 2019 a. 42.

65.90 Municipal budgets. (1) Unless otherwise provided, in this section, "municipality" means each county other than counties having a population of 750,000 or more, each city, excepting cities of the 1st class, village, town, school district, technical college district and all other public bodies that have the

power to levy or certify a general property tax or budget. Except as provided in sub. (1m), every municipality shall annually, prior to the determination of the sum to be financed in whole or in part by a general property tax, funds on hand or estimated revenues from any source, formulate a budget and hold public hearings thereon.

(1m) (am) For purposes of adopting and implementing a biennial budget as described in this subsection, “municipality” means a county other than a county having a population of 750,000 or more; a city other than a city of the 1st class; a village; or a town.

NOTE: Par. (am) was created as par. (a) 1. by 2019 Wis. Act 42 and renumbered to par. (am) by the legislative reference bureau under s. 13.92 (1) (bm) 2.

(b) A municipality may adopt a biennial budget by implementing the procedures under this subsection and using the procedures under this section. If a municipality chooses to adopt a biennial budget, it shall adopt such a budget in an odd-numbered year for the next 2 fiscal years that follow immediately the year in which the budget is adopted.

NOTE: Par. (b) was created as par. (a) 2. by 2019 Wis. Act 42 and renumbered to par. (b) by the legislative reference bureau under s. 13.92 (1) (bm) 2.

(c) For any municipality to proceed under this subsection, the governing body of the municipality shall adopt a resolution or enact an ordinance stating its intent to adopt a biennial budget. Once a resolution is adopted or an ordinance is enacted, such an action takes effect and may not be reconsidered or repealed, except as provided in par. (d).

NOTE: Par. (c) was created as par. (a) 3. by 2019 Wis. Act 42 and renumbered to par. (c) by the legislative reference bureau under s. 13.92 (1) (bm) 2. The cross-reference to par. (d) was changed from subd. 4. by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering of subd. 4., as created by 2019 Wis. Act 42, by the legislative reference bureau under s. 13.92 (1) (bm) 2.

(d) The governing body of a municipality that has adopted a biennial budget procedure as provided in this subsection may return to the use of an annual budget procedure if the governing body, by a two-thirds majority vote, adopts a resolution or enacts an ordinance stating its intent to adopt an annual budget.

NOTE: Par. (d) was created as par. (a) 4. by 2019 Wis. Act 42 and renumbered to par. (d) by the legislative reference bureau under s. 13.92 (1) (bm) 2.

(2) (a) An annual budget shall list all existing indebtedness and all anticipated revenue from all sources during the ensuing year and shall likewise list all proposed appropriations for each department, activity and reserve account during the said ensuing year. Such budget shall also show actual revenues and expenditures for the preceding year, actual revenues and expenditures for not less than the first 6 months of the current year and estimated revenues and expenditures for the balance of the current year. Such budget shall also show for informational purposes by fund all anticipated unexpended or unappropriated balances, and surpluses.

(b) A biennial budget shall list all existing indebtedness and all anticipated revenue from all sources during the ensuing budget period and shall likewise list all proposed appropriations for each department, activity and reserve account during that period. A biennial budget shall also show actual revenues and expenditures for the preceding budget period, actual revenues and expenditures for not less than the first 18 months of the current budget period and estimated revenues and expenditures for the balance of the period to which the budget applies. Such budget shall also show for informational purposes by fund all anticipated unexpended or unappropriated balances, and surpluses.

(3) (a) A summary of the budget required under sub. (1) or authorized under sub. (1m) and notice of the place where the budget in detail is available for public inspection and notice of the time and place for holding the public hearing thereon shall be published as a class 1 notice, under ch. 985, in the municipality at least 15 days prior to the time of the public hearing except that:

1. In towns a summary of the budget required under sub. (1) or authorized under sub. (1m) and notice of the time and place of the public hearing thereon shall be posted in 3 public places at least 15 days prior to the time of the public hearing.

2. Any school district reproducing and providing general distribution within the district of an annual report incorporating a budget summary at least 15 days prior to the annual meeting is exempt from the notice requirements of this paragraph.

3. A common school district, as defined under s. 115.01 (3), shall publish a class 1 notice, under ch. 985, as required under this paragraph, at least 10 days prior to the time of the public hearing thereon.

(b) Any budget summary required under par. (a) shall include all of the following for each fiscal year of the proposed budget and the budget in effect, and shall also include the percentage change between the budget of the current year and each fiscal year of the proposed budget:

1. For the general fund, all expenditures in the following categories:

- a. General government.
- b. Public safety.
- c. Public works.
- d. Health and human services.
- e. Culture, recreation and education.
- f. Conservation and development.
- g. Capital outlay.
- h. Debt service.
- i. Other financing uses.

2. For the general fund, all revenues from the following sources:

- a. Taxes.
- b. Special assessments.
- c. Intergovernmental revenues.
- d. Licenses and permits.
- e. Fines, forfeitures and penalties.
- f. Public charges for services.
- g. Intergovernmental charges.
- h. Miscellaneous revenue.
- i. Other financing sources.

3. Revenue and expenditure totals for each impact fee that is imposed by a municipality.

4. All beginning and year-end governmental and proprietary fund balances.

5. The contribution of the property tax to each governmental fund and to each proprietary fund that receives property tax revenue and the totals for all funds.

6. Revenue and expenditure totals, by fund, for each governmental fund, and for each proprietary fund and the revenue and expenditure totals for all funds combined.

(bm) Any budget summary created under par. (a) shall include an itemization of proposed increases and decreases to the current year budget, and an itemization of proposed increases and decreases between the first and second year of a biennial budget, due to new or discontinued activities and functions.

(c) The department of public instruction under s. 115.28, the department of revenue under s. 73.10 and the technical college system board under s. 38.04 shall encourage and consult with interested public and private organizations regarding the budget summary information required under pars. (a) and (b). The department of public instruction and the technical college system board shall specify the revenue and expenditure detail that is required under par. (b) 1. and 2. for school districts and for technical college districts.

(d) A municipality may publish any additional budget summary information that its governing body considers necessary, but the additional information shall be reported separately from the information required under pars. (a), (b) and (bm).

(4) Not fewer than 15 days or, in the case of common school districts, as defined under s. 115.01 (3), not fewer than 10 days, after the publication of the proposed budget and the notice of hear-

ing thereon a public hearing shall be held at the time and place stipulated at which any resident or taxpayer of the governmental unit shall have an opportunity to be heard on the proposed budget. The budget hearing may be adjourned from time to time. In school districts holding an annual meeting the time and place of the budget hearing shall be the time and place of the annual meeting.

(5) (a) Except as provided in pars. (b) and (c) and except for alterations made pursuant to a hearing under sub. (4), the amount of tax to be levied or certified, the amounts of the various appropriations and the purposes for such appropriations stated in a budget required under sub. (1) or authorized under sub. (1m) may not be changed unless authorized by a vote of two-thirds of the members-elect of the governing body of the municipality. Any municipality, except a town, which makes changes under this paragraph shall publish either a class 1 notice of the changes, under ch. 985, within 15 days after any change is made or post a notice of the changes on the municipality's website within 15 days after any change is made. Failure to give notice shall preclude any changes in the proposed budget and alterations thereto made under sub. (4). In this subsection, "members-elect" has the meaning given in s. 66.10015 (1) (bs).

(b) A county board may authorize its standing committees to transfer funds between budgeted items of an individual county office or department, if such budgeted items have been separately appropriated, and to supplement the appropriations for a particular office, department, or activity by transfers from the contingent fund. Such committee transfers shall not exceed the amount set up in the contingent fund as adopted in the annual budget, nor aggregate in the case of an individual office, department, or activity in excess of 10 percent of the funds originally provided for such office, department, or activity in such annual budget. The publication provisions of par. (a) shall apply to all committee transfers from the contingent fund.

(c) 1. A governing body or a committee authorized by the governing body may, at any time, decrease appropriation amounts in a biennial budget.

2. In October or November of an even-numbered year, the governing body of a municipality may change any appropriation

or revenue amount in relation to the 2nd year of the biennial budget by a simple majority vote of the members-elect of the governing body.

(6) As part of the annual budget required under sub. (1) or the biennial budget authorized under sub. (1m), the governing body of any municipality and of any county having a population of 750,000 or more may establish and maintain, and levy a tax for, a liability reserve fund for the purpose of paying liability claims against the municipality or premiums on insurance to pay such claims. The governing body may allow amounts appropriated to the fund to accumulate from year to year. The annual taxes levied for this purpose may not exceed the level necessary to collect the amount recommended by an actuary, in accordance with generally accepted actuarial principles, that will be sufficient to pay any insurance premiums and the uninsured portion of claims that are anticipated to be made based on occurrences during the year in which the tax is collected. Payment of claims and premiums may either be made directly from the reserve account or appropriations may be made from the reserve account to an operating account for such payments. No other transfers may be made from the fund except in accordance with the procedure specified in sub. (5) (a) and unless:

(a) If the fund is to be dissolved, an actuary has determined that all claims that are to be paid from the fund have been paid or a sufficient reserve has been created from the fund to pay such claims; or

(b) If the fund is to be continued and the types of claims or the amount of coverage of claims by the fund is to be reduced, an actuary has determined, under generally accepted actuarial principles, that the balance in the fund exceeds the amount necessary to pay claims and premiums and the amount transferred is not more than the excess amount.

History: 1971 c. 40, 154; 1971 c. 211 ss. 77, 124; 1973 c. 224; 1975 c. 224; 1977 c. 418; 1981 c. 203; 1985 a. 225; 1987 a. 314, 377; 1989 a. 31; 1991 a. 39, 189; 1993 a. 399; 1995 a. 27, s. 9145 (1); 1997 a. 27; 2005 a. 477; 2009 a. 177; 2015 a. 138; 2017 a. 207 s. 5; 2019 a. 42; s. 13.92 (1) (bm) 2.; s. 35.17 correction in (1m) (c).

Under sub. (5), the vote of two-thirds of a board's entire membership is needed to transfer funds from a contingency fund to use for a purpose not anticipated in the budget. 76 Atty. Gen. 145.