

CHAPTER 3
FINANCE AND TAXATION

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3.01 PREPARATION OF TAX ROLL, RECEIPTS AND STATEMENTS.

(1) **AGGREGATE TAX STATED ON ROLL.** Pursuant to §70.65 (2), Wis. Stats., the City Clerk shall, in computing the tax roll, insert only the aggregate amount of State, County, school and local taxes in a single column in the roll opposite the parcel or tract of land against which the tax is levied, or, in the case of personal property, in a single column opposite the name of the person against whom the tax is levied.

(2) **RATES STAMPED ON RECEIPTS.** Pursuant to §74.19, Wis. Stats., in lieu of entering on each tax receipt the several amounts paid respectively for State, County, school, local and other taxes, the aggregate amount of such taxes shall be combined in a single column on the tax receipt issued by the City Clerk. The Clerk shall cause to be printed or stamped on the tax receipt the separate proportion or rate of taxes levied for State, County, school, local or other purposes.

(3) **STATE CREDIT AND FAIR MARKET VALUE.** Pursuant to §74.09, Wis. Stats., the Clerk shall show on the tax bill the amount of the tax if there was no State tax credit, and the assessed and estimated fair market value of the property.

3.02 DUPLICATE TREASURER'S BOND ELIMINATED.

(1) **BOND ELIMINATED.** The City elects not to give the bond on the City Treasurer provided for by §70.67 (1), Wis. Stats.

(2) **CITY LIABLE FOR DEFAULT OF CITY TREASURER.** Pursuant to §70.67 (2), Wis. Stats., the City shall pay, if the Treasurer fails to do so, all State and County taxes required by law to be paid by such Treasurer to the County Treasurer.

3.03 FISCAL YEAR. The calendar year shall be the fiscal year.

3.04 BUDGET.

(1) **DEPARTMENTAL ESTIMATES.** Each year, each officer, department and committee shall timely file with the City Clerk an itemized statement of disbursements made to carry out the powers and duties of such officer, department or committee during the preceding fiscal year, and a detailed statement of the receipts and disbursements on account of any special fund under the supervision of such officer, department or committee during such year, and of the condition and management of such fund, along with detailed estimates of the same matters for the current fiscal year and for the ensuing fiscal year. Such statements shall be presented in the form prescribed by the Administrator and shall be designated as "Departmental Estimates" and shall be as nearly uniform as possible for the main division of all departments for incorporation into the budget document.

(2) **PREPARATION PROCEDURE.**

(a) Budget to Include. Each year the City Administrator, with the assistance of the City Clerk and the appropriate committees, officers and department heads shall prepare and submit to the Council a proposed budget presenting a financial plan for conducting the affairs of the City for the ensuing calendar year. The budget shall include the following information:

1. The expense of conducting each department and activity of the City for the ensuing fiscal year and corresponding items for the current year and last preceding fiscal year, with reasons for increase and decrease recommended as compared with appropriations for the current year.

2. An itemization of all anticipated income of the City from sources other than general property taxes and bonds issued, with a comparative statement of the amounts received by the City from each of the same or similar sources for the last preceding and current fiscal year.

3. An itemization of the amount of money to be raised from general property taxes which, with income from other sources, will be necessary to meet the proposed expenditures.

4. Such other information as may be required by the Council and by State law.

(b) Copies for Citizens. The City shall provide a reasonable number of copies of the budget thus prepared for distribution to citizens.

(3) HEARING. The Council shall hold a public hearing on the budget as required by law. Following the public hearing, the proposed budget may be changed or amended and shall take the same course in the Council as other ordinances.

3.05 CHANGES IN BUDGET. The amount of the tax to be levied or certified, the amounts of the various appropriations, and the purposes thereof shall not be changed after approval of the budget except by a 2/3 vote of the entire membership of the Council pursuant to §65.90 (5), Wis. Stats. Notice of such transfer shall be given by publication within 10 days thereafter in the official City newspaper.

3.06 RECEIPTS. The City Treasurer shall receive all cash and checks due to the City and for related accounts (taxes, utilities, etc.), checking for accuracy as to amounts and balancing with receipts, and other appropriate document.

3.07 CITY FUNDS TO BE SPENT IN ACCORDANCE WITH APPROPRIATIONS.

No money shall be drawn from the Treasury of the City nor shall any obligation for the expenditure of money be incurred, except in pursuance of the annual appropriation in the adopted budget or when changed as authorized by sec. 3.05 of this chapter

At the close of each fiscal year, any unencumbered balance of an appropriation shall revert to the general fund and shall be subject to re-appropriation; but appropriations may be made by the Council, to be paid out of the income of the current year, in furtherance of improvements or other objects or works which will not be completed within such year, and any such appropriation shall continue in force until the purpose for which it was made shall have been accomplished or abandoned.

3.08 CLAIMS PROCEDURE.

(1) **PURCHASES.** Effective July 1, 1984, all City purchases shall be made in accordance with the City of West Bend Purchasing Policy, which policy is on file in the office of the City Clerk and is hereby adopted by reference

(2) **APPROVAL OF CLAIMS.**

(a) Payment of Accounts. Accounts on demand against the City shall be paid pursuant to §62.04, Wis. Stats., approved by the Comptroller and reviewed by the Treasurer. The Council shall ratify the amounts of all approved accounts in total for each division of government (general fund, utility, etc.). The City Treasurer shall keep on file the details of all claims in accordance with generally accepted accounting principles and the State Statutes for record preservation.

(b) Payment of Regular Wages or Salaries. Regular wages or salaries of City officers and employees shall be paid by payroll, verified by the proper City official in time for payment on the regular pay day.

3.09 PAYMENT OF PROPERTY TAXES (Am. Ord. #2773 – 10/24/2015; Am. Ord. #2759 – 10/1/15; Rep. & Recr. Ord. #2085 – 10/12/92).

(1) **Payment of Property Taxes.** Pursuant to Section 74.11, Wis. Stats., all taxes on real property and on improvements of leased land may be paid in two substantially equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31.

(2) **NO INSTALMENTS.** If the total property tax levied on a parcel of property or on an improvement on leased land is less than \$100, it shall be paid in full on or before January 31.

3.10 (Rep. Ord. #1964)**3.11 DISPOSAL OF ABANDONED PROPERTY** (Cr. Ord. #1894).

(1) SALE. Personal property in the possession of the City which has been abandoned, or remained unclaimed for a period of 30 days after the taking of possession of the property by the City, may be sold in a sale open to the public. The sale may be a public auction or such other manner of sale as the City Administrator shall determine in his discretion.

(2) DISPOSAL OF UNSOLD PROPERTY. The Council may authorize other means of disposal of abandoned or unclaimed property as it shall deem to be in the best interests of the City.

(3) DISPOSAL OF PROPERTY BY POLICE DEPARTMENT. (Cr. Ord. #2068 – 3/18/92). Except as otherwise provided by law, personal property in the possession of the Police Department having insubstantial commercial value which has been abandoned, or remained unclaimed for a period of 30 days after the taking of possession of the property by the Department, may be disposed of by any means determined by the Chief of Police in his or her discretion. The Department shall maintain an inventory of such property not disposed of in a sale open to the public which includes all information required by §66.0139 (2), Wis. Stats., as a public record for a period of not less than 2 years from the date of disposal of the property. All receipts from any sale, after deducting the necessary expenses of keeping the property and conducting the sale, shall be paid to the City Treasurer.

3.12 DEBT MANAGEMENT POLICY (Am. Ord# 2840 – 6/22/2019) (Am. Ord.# 2830 – 04/09/2019) (Cr. Ord. #2753 - 4/30/2014)

(1) DEBT TO NON-CAPITAL EXPENDITURES. Total general obligation debt service to Non-Capital Expenditure shall be at no higher than 20%. Whenever the annual percentage is higher than this target percent, it is the intent to reduce general obligation debt through refinancing or generating additional funds to pay down debt. Once under the target debt rate, a super majority vote of the full council is necessary for the city to exceed the target debt rate.

(2) PERCENTAGE OF DEBIT LIMIT. The percentage of debt limit to general obligation debt shall be 10% below the median calculation completed by Baker Tilly during the annual audit. Whenever the annual percentage is higher than this target percent, it is the intent to reduce general obligation debt through refinancing or generating additional funds to pay down debt. Once under the percentage of debt limit, a super majority vote of the full council is necessary for the city to exceed the percentage of debt limit.

(3) **CAPITAL FINANCING.** Debt shall not fund operating expenses unless those expenses can be directly related to a capital project. Utility revenue bond proceeds may be used to establish a debt service reserve as allowed by federal law.

(4) **REFUNDING.** The city's financial advisors shall periodically review the city's outstanding debt to determine if there is a net economic benefit to refunding the city's debt.

(5) **BOND SALES.** City debt will be issued through a competitive bid process conducted by the city's financial advisors on a true interest cost basis.

(6) **ANNUAL REVIEW.** The Common Council shall review the Debt Management Policy on an annual basis to coincide with the audit presentation.

3.13 FUND BALANCE POLICY (Am. Ord. # 2841 – 6/22/2019) (Cr. Ord. # 2755 – 5/10/2014)

(1) **FUND BALANCE LIMITS.** The unreserved/unassigned (unassigned a term for GASB 54) fund balance shall be maintained as of December 31 of each year equal to the current GFOA minimum of 17% of the ensuing year's budgeted general fund expenditures, with a targeted maximum of 10% above the median calculation completed by Baker Tilly during the annual audit.

(2) **WITHDRAWAL OF FUNDS BELOW 17% FUND BALANCE LIMIT.** A two-thirds majority vote of the entire Common Council is required to declare a fiscal emergency and to authorize, for purposes of addressing the fiscal emergency, the withdrawal of any amount from the general fund balance which would result in the fund falling below the GFOA minimum of 17%. Any such action must also provide for necessary appropriations to restore the general fund balance to the minimum balance within a three-year period.

(3) **WITHDRAWAL OF FUNDS BETWEEN 17% AND CALCULATED MAXIMUM OF FUND BALANCE LIMIT.** The withdrawal of any amount from the general fund balance resulting in the fund balance falling below the targeted maximum of 10% above the median calculation completed by Baker Tilly during the annual audit, but above the 17% limit, must be authorized by a two-thirds majority vote of the entire Common Council. Said funds may be used solely for capital projects or reducing the ensuing year's property tax levy.

(4) **EXCESS FUNDS.** Any fund balance amount greater than 10% above the median calculation will be assigned by management for future capital projects or reducing the ensuing year's property tax levy.

(5) CAPITAL PROJECT FUND. The capital project fund shall maintain reserves sufficient to pay the cost of projects under construction but not yet finished.

(6) WATER UTILITY FUND. The water utility total fund balance (cash and investments) shall not be less than 35% and not more than 100% of the annual billings of the Water Utility fund. The water utility shall reserve fund balance to meet the requirements of Revenue Bond Requirements.

(7) SANITARY SEWER UTILITY FUND. The sanitary sewer utility total fund balance (cash and investments) shall not be less than 25% and not more than 100% of the annual billings of the Sanitary Sewer Utility fund. The sanitary sewer utility shall reserve fund balance for an Equipment Reserve which shall not be less than the cost associated with the annual depreciation schedule for sewer equipment, or to meet the requirements of the CWFL program.

(8) ANNUAL REVIEW. The Common Council shall review the Fund Balance Policy on an annual basis to coincide with the audit presentation.