

CHAPTER 65.

BUDGET SYSTEM FOR CITIES.

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65.01 Application of this chapter. The common council of any city of the second, third or fourth class may by ordinance adopted by three-fourths of all its members accept the provisions of sections 65.02, 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 chapter 65 shall apply only to cities of the first class.

65.02 Definition of terms. (1) The term "department" or "departments," as used in this chapter, shall include any department, board, commission, or other body exclusive of the common council which expends city funds or incurs obligations for the city, and unless otherwise expressed shall refer to the head of such department.

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

(3) 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) The mayor shall be president of the board and there shall be a secretary appointed by the comptroller. The secretary shall keep a record of the proceedings of the board and perform such other duties as may be required of him by the board or comptroller.

65.03 Duties of head of departments. (1) It shall be the duty of each department to file with the comptroller on forms furnished by him an estimate in detail of the department's needs for the ensuing fiscal year, including a statement of improvements to be made and an estimate of expenditures therefor.

(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.

(3) Department estimates shall be filed with the comptroller not later than August first each year when the taxes or any part thereof are to be levied during the year for expenditure for the succeeding year, otherwise on or before October first of each year. The common council, by vote of majority of all aldermen-elect, taken prior to July first in any year, may require all such estimates to be filed by August first of said year.

65.04 Meetings of board of estimates. (1) The board of estimates shall meet August first each year. The comptroller shall place before the board the reports of estimates filed with him by the departments.

(2) From the estimates before it the board shall make and submit to the common council, on or before September fifteenth each year, 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. If any department shall fail 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) 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) In case the common council shall not in any year require estimates by all the departments to be filed by August first, then the board shall reconvene on the first day of October and make the balance of the budget and file the same with the common council by December fifteenth.

(5) 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 year 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.

(6) 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 fiscal year, except such bonds as are authorized to be omitted by express provision of law.

(7) All meetings of the board shall be public, and at least one public hearing shall be held by the board before the proposed budget or any part thereof is filed with the common council.

65.05 Changes in budget, how made. (1) The common council, by vote of the majority of all the aldermen, may make such changes in the proposed budget submitted by the board of estimates, 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 it shall file its resolution authorizing the change with the city clerk at least two days prior to the time fixed by law for the adoption of such budget, and the council shall then make the change in accordance therewith.

(4) The common council, on or before October first, shall adopt the proposed budget submitted to it prior to September fifteenth by a majority vote of all the aldermen either as submitted or as changed by the council.

(5) If in any year the common council shall not have required the estimates to be filed with it prior to August first, then it shall adopt the balance of the budget before December thirty-first of that year.

(6) 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 year whether or not any formal resolution or motion adopting it has been passed by the common council. Within five 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 his approval.

(7) If the mayor approves the budget he 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 such item or items he shall return the budget to the clerk with his objections to such items in writing and his reasons therefor.

(8) 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 so disapproved and sustained. The council may thereupon proceed, by an affirmative vote of a majority of the aldermen, to adopt a substitute for the item rejected which shall be separately submitted to the mayor subject to his approval. All items not disapproved by the mayor and sustained by the council shall constitute the budget and be in full force.

65.06 Funds, how expended. (1) No money shall be expended and no liabilities incurred by the city or any department unless otherwise specially authorized by law during the fiscal year, in excess of the amounts specified or except as hereinafter provided for any other purpose than as designated therein, provided, however, that whenever a waterworks department of the city 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 year, if in the opinion of the board of estimate 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:

(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 aldermen, 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 waterworks or lighting system or any public utility may spend money from the surplus revenue of such waterworks or 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 aldermen 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 aldermen.

(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 employe 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) Prior to the adoption of the budget by the common council it shall hold at least one public hearing, but it shall not be necessary to refer the budget to a committee of the common council.

(13) 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.

(14) 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 aldermen 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.

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

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

(17) 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.

(18) Subsections (14), (15), (16) and (17) shall not apply to the expenditure of funds, the proceeds of bonds or mortgage certificates, nor the surplus revenues of any waterworks or lighting system or municipality owned utility.

(19) 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. [1939 c. 513 s. 20]

65.07 Power of common council. (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 sewerage fund.

(b) A sufficient street improvement fund of not to exceed one mill on the dollar on all taxable property in the city, which fund shall not be used for any other purpose than street improvement.

(c) A sufficient harbor maintenance fund, for maintaining municipal docks and dredging therefor.

(d) A sufficient contingent fund.

(e) A sufficient general city fund in addition to other funds hereby authorized.

(f) Such other funds as may be created by the common council for a lawful purpose.

(2) All expenses now chargeable to any ward fund shall be paid out of the general city fund unless otherwise provided herein or by the common council.

(3) The aggregate funds provided in section 65.07 shall not exceed eight mills upon each dollar of the total assessed valuation of the taxable property in the city.

65.08 Power of council to levy taxes. The common council shall have power to levy annually in addition to the sums provided in section 65.07 a tax based on the taxable property of the city for the purposes and in the amounts following:

(1) A park and boulevard fund as provided by law, not exceeding one and two-tenths of a mill.

(2) A civil service fund as provided by law, not exceeding thirty-five one-thousandths of a mill.

(3) A museum fund, not exceeding three-tenths of a mill.

(4) A public library fund, not exceeding four-tenths of a mill.

(6) A general educational fund for the support of all public schools including trade schools, not exceeding 7.3 mills.

(7) A school repair fund for keeping in repair school buildings, fixtures, grounds and fences; the purchase of furniture; the making of betterments to school property; and the purchase of necessary additions to school sites, not exceeding eight-tenths of a mill; and a school construction fund, as provided by law, for the purchase of school sites, the erection of school buildings and additions to school buildings, and the remodeling of existing school buildings, not exceeding six-tenths of a mill for 1942 and subsequent years, subject to the provisions of paragraphs (a) and (b) of subsection (1) of section 38.16.

(8) A school extension fund as provided by law, not exceeding four-tenths of a mill for 1937 and subsequent years unless such maximum mill tax for such fund shall be increased as hereinafter provided. Such maximum mill tax shall be increased to not to exceed six-tenths of a mill for the year 1938, and to not to exceed seven-tenths of a mill for the year 1939, and to not to exceed eight-tenths of a mill for the year 1940 and subsequent years, and such increased taxes for such years shall be levied and collected, only in the event that the question of the increased levies and collections of such taxes shall have been submitted to the qualified school electors of the city pursuant to law and shall have been favorably voted by a majority of those voting upon such question, at a regular or special election, as provided in subsections (3) and (5) of section 43.50.

- (9) An industrial education fund, not exceeding three-quarters of a mill.
- (10) A sewerage commission fund, not exceeding one mill.
- (11) An auditorium fund, not exceeding sixty-three one-thousandths of a mill.
- (12) A harbor improvement fund, not exceeding thirty-five one-hundredths of a mill. The harbor improvement fund shall not be used for any other purpose than permanent harbor improvements. No municipal bonds shall be issued for permanent harbor improvements in any year for which a tax has been levied for that purpose.
- (13) A tax deficit fund not exceeding one-tenth of a mill.
- (14) A tax readjustment fund, not exceeding one-fourth of a mill.
- (15) A delinquent tax fund, a sum sufficient to cover the estimated tax that will remain unpaid on the tax roll.
- (16) A sufficient fund to pay the interest and principal on the funded debt falling due within the year.

(17) It shall not be mandatory, however, upon the common council to levy a tax upon all the taxable property in the city in excess of the mill tax rates hereinafter provided and based upon each dollar of the assessed valuation of such property for the several departments enumerated as follows:

Civil service fund—seventeen one-thousandths of a mill.

Museum fund—two thousand and fifty-seven ten-thousandths of a mill.

Library fund—two hundred and sixty-four one-thousandths of a mill. [1937 c. 19; Spl. S. 1937 c. 13; 1941 c. 146; 1941 c. 213 s. 35]

65.09 [Repealed by 1927 c. 536 s. 1]

65.10 City officers to pay receipts monthly. Each city officer shall keep an itemized and accurate account of all moneys received by him in his official capacity for fees, commissions and otherwise, and shall at the end of each month, during his term of office, pay into the city treasury all such money in his hands and file a duly verified copy of his 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.

65.90 Municipal budgets. (1) Each county other than counties having a population of 300,000 or more, each city, village, town, school district and all other public bodies that have the power to levy or certify a general property tax or budget shall annually, prior to the determination of the sum to be financed in whole or in part by a general property tax, formulate a budget and hold public hearings thereon.

(2) Such budget shall list all anticipated revenue from all sources during the ensuing year and shall likewise list all proposed expenditures for each department or activity during the said ensuing year. Such budget shall also show comparable figures for the 2 preceding years.

(3) A summary of such budget and notice of the place where such budget in detail is available for public inspection and notice of the time and place for holding the public hearing thereon shall be published in a newspaper of general circulation in the municipality at least 10 days prior to the time of such public hearing. In towns or one-room school districts, a summary of such budget and notice of the time and place of the public hearing shall be posted in 3 public places at least 10 days prior to the time of such public hearing.

(4) Not less than 14 days after the publication of the proposed budget and the notice of hearing thereon a public hearing shall be held at the time and place stipulated at which time 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.

(5) The amount of tax to be levied or certified, the amounts of the various appropriations and the purposes for such appropriations stated in such budget, after any alterations therein made pursuant to the hearing required by this section, shall not be changed thereafter unless authorized by a vote of two-thirds of the entire membership of the governing body of such municipality. Any municipality, excepting towns and one-room school districts, which makes such changes shall give notice thereof by publication, within 8 days thereafter, in a newspaper in general circulation in such municipality. [1941 c. 221]