

## CHAPTER 65

## MUNICIPAL BUDGET SYSTEMS

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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 sections 65.01 to 65.10 shall apply only to cities of the first class.

**65.02 Definition of terms.** (1) **DEPARTMENT DEFINED.** The term "department" or "departments", as used in this chapter, shall include 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 shall refer to the head of such department. Any department, board, commission or other body operating under ch. 38 or 119 shall transmit its completed budget to the common council on or before the second regular meeting of the common council in October of each year on forms furnished by the comptroller and the same shall be published with the budget summary and budget as provided in s. 65.04 (2) and s. 65.05 (7).

(2) **ESTIMATE DEFINED.** 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 of him by the board.

(5) **BUDGET.** The budget shall provide a com-

plete financial plan for the ensuing fiscal year. It shall contain in tabular form:

(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.

(6) **BUDGET SUMMARY.** 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.

(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.** Separate provision 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 year, 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 year, adequate comparisons with the anticipated revenues and receipts of other years.

**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.

(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.

**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 him by the departments together with the comptroller's statement of anticipated revenues for the ensuing 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 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 pro-

posed 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 entire proposed budget shall be printed forthwith in the proceedings of the common 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) **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 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.

(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 fiscal year, 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; he shall not however be entitled to a vote on such board.

**65.05 Adoption of budget; changes, 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, 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 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 November 20 shall adopt the proposed budget by a majority vote of all the aldermen 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 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.

(6) 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.

(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 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. The budget shall thereupon be filed in the office of the comptroller who shall forthwith have the same printed and made available for general distribution. In case of an obvious error in authorizing any salary or position as provided in section 65.02 (8) (b) hereof, 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) The adoption of the budget shall determine the amount of money to be levied upon all taxable property in the city for the ensuing year. 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 tax commissioner 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 fiscal year except that additional positions may be established where necessary during the year by resolution adopted by three-fourths vote of all the aldermen.

**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) 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 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.

(14) 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.

(15) 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.

(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) 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 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.

#### **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; provided that the aggregate amount of such tax shall not exceed 11 mills upon each dollar of the total assessed valuation of the taxable property in the city. 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 firemen's and policemen's 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. 67.04 (2), 66.51 (1) 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.

(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 provided by law, not exceeding 1.1 mills for 1960 and subsequent years unless such maximum mill tax is increased as hereinafter provided. The maximum mill tax shall be increased to not to exceed six-tenths of a mill for the year 1964 and subsequent years up to 1966, and to not to exceed sixty-five hundredths of a mill for the year 1966 and subsequent years up to 1968, and to not to exceed seven-tenths of a mill for the year 1968 and subsequent years up to 1970, and to not to exceed seventy-five hundredths of a mill for the year 1970 and subsequent years, and such increased taxes for 1964 and subsequent years shall be, based on equalized valuation and shall be levied and collected only if the question of increased levy and collection of such taxes has been submitted to the qualified electors of the city pursuant to law and has been favorably voted by a majority of those voting upon such question, at a regular or special election, as provided in s. 43.50 (3) and (5).

(h) A vocational and adult education fund, not exceeding 3 mills.

(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 sinking fund for school building purposes as provided in ss. 120.10 (10) and 120.56.

(n) The funds established under pars. (c), (i), (k), (o) and (r) may be allowed to accumulate from year to year in the discretion of the common council.

(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.

**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 excepting cities of the first class, 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, funds on hand or estimated revenues from any source, formulate a budget and hold public hearings thereon.

(2) Such 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.

(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 as a class 1 notice, under ch. 985, 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. Any school district reproducing and providing general distribution within the district of an annual report incorporating a budget summary at least 10 days prior to the annual meeting is exempt from this subsection.

(4) Not less than 10 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. In towns and school districts holding an annual meeting the time and place of the budget hearing shall be the time and place of the annual meeting thereof.

(5) (a) Except as provided in par. (b), 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, except that in the case of city boards of education transfers may be authorized by a two-thirds vote of such boards for funds under their control. Any municipality, excepting towns and one-room school districts, which makes such changes shall publish a class 1 notice thereof, under ch. 985, within 10 days thereafter.

Failure to give such notice shall preclude any changes in the proposed budget and alterations thereto made pursuant to sub. (4).

(b) A county board may authorize its standing finance committee 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 per cent of the funds originally provided for such office, department or activity in such annual budget. The publication provisions of paragraph (a) shall apply to all committee transfers from the contingent fund.

(6) A copy of each county budget including comparable figures for the 2 preceding years shall be filed with the department of administration in such form and on such blanks as the department shall prescribe.