

## Chapter 3

---

### FINANCE AND TAXATION

- 3.01 Preparation of Tax Roll, Tax Bills, and Tax Receipts
- 3.02 Fiscal Year
- 3.03 Budget
- 3.04 Changes In Budget
- 3.05 City Funds to Be Spent In Accordance With Appropriations
- 3.06 Claims Procedure
- 3.07 Designation of Who Shall Countersign City Checks
- 3.08 Destruction of Obsolete Public Records
- 3.09 Letting of Contracts
- 3.10 Duplicate Treasurer's Bond
- 3.11 Temporary Investment of Funds Not Immediately Needed
- 3.12 Capital Improvements Budget
- 3.13 Rooms or Lodging
- 3.14 Collection of Electric, Water and Sewer Services Charges

### 3.01 Preparation of Tax Roll, Tax Bills, and Tax Receipts

(1) Tax Roll -

The City Clerk shall annually prepare the tax roll in accordance with Wisconsin Statute § 70.65 (2001-2002).

(2) Tax Bills -

The City Clerk shall prepare property tax bills in accordance with Wisconsin Statute § 74.09 (2001-2002).

(3) Tax Receipts -

The City Clerk shall prepare property tax receipts in accordance with Wisconsin Statute § 74.19 (2001-2002).

### 3.02 Fiscal Year

The calendar year shall be the fiscal year.

### 3.03 Budget

(1) Departmental Estimates -

Annually, at a time specified by the Finance Committee, each officer, department and committee shall file with the 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; 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 conditions and management of such fund; and detailed estimates of the same matters for the current and ensuing fiscal years. Such statements, which shall be designated as "Departmental Estimates," shall be presented in the form prescribed by the Clerk, such form to be as nearly uniform as possible for the main division of all departments.

(2) Preparation of Proposed Budget -

(a) Finance Committee to prepare:

The Finance Committee shall annually prepare and submit to the Council a proposed budget presenting a financial plan for conducting the affairs of the City for the ensuing fiscal year.

(b) Information required. 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 statement comparing 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 state law.

(c) Copies required:

The City shall provide a reasonable number of copies of the budget thus prepared for distribution to citizens.

(3) Notice and Hearing -

The Council shall hold a public hearing on the budget after giving notice thereof as required by Wisconsin Statute § 65.90.

(4) Action by Council -

Following the public hearing, the proposed budget may be changed or amended and shall take the same course in the Council as ordinances.

### **3.04 Changes In Budget**

The amount of the tax to be levied or certified and the amounts of the various appropriations, and the purposes thereof, shall not be changed after approval of the budget except by a two-thirds (2/3) vote of all the members of the Council. Notice of such change shall be given by publication within ten (10) days thereafter in the official City newspaper.

### **3.05 City Funds to Be Spent In Accordance With Appropriations**

No money shall be drawn from the City treasury, 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 Section 3.04. At the close of each fiscal year, any unencumbered balance of an appropriation shall revert to the general fund and shall be subject to reappropriation; 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 has been accomplished or abandoned.

### **3.06 Claims Procedure**

(1) Council To Audit Accounts -

Except as provided in sub. (3), no account or demand against the City shall be paid until it has been audited by the Council and an order drawn on the City Treasurer therefor. Every such account shall be itemized. After auditing, the Council shall cause to be endorsed by the Clerk, over the Clerk's hand on each account, the words "allowed" or "disallowed," as the fact is, adding the amount allowed, if any, and specifying the items or parts of items disallowed, if disallowed in part only. The minutes of the proceedings of the Council shall show to whom and for what purpose every such account was allowed and the amount

thereof. Every such account or demand allowed in whole or in part shall be filed by the Clerk; and, those of each year shall be consecutively numbered and have endorsed thereon the number of the order on the Treasurer issued in payment, and the Clerk shall take a receipt thereon for such order.

(2) Claims To Be Verified -

All accounts, demands or claims against the City shall be verified by the claimant or proper official.

(3) 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 and filed with the City Clerk in time for payment on the regular pay day.

### **3.07 Designation of Who Shall Countersign City Checks**

- (1) Withdrawal, disbursement, or transfers from any funds from any City depository shall be only as provided in Wisconsin Statute § 66.0607 (2001-2002), and all authorizing documents shall be signed by the City Clerk/Treasurer and countersigned by the Mayor.
- (2) The Council may, by a properly adopted resolution, authorize additional persons to countersign said checks or authorizing documents.

### **3.08 Destruction of Obsolete Public Records**

(1) Financial Records -

The City Clerk may destroy the following non-utility records of which the Clerk is the legal custodian and which are considered obsolete, after completion of an audit by state auditors or an auditor licensed under Chapter 442 of the Wisconsin Statutes, but not less than seven (7) years after payment or receipt of any sum involved in the particular transaction unless a shorter period has been fixed or will, in the future, be fixed by the State Public Records Board pursuant to Wisconsin Statute § 16.61(3)(e) (2001-2002), and then after such shorter period:

- (a) Bank statements, deposit books, slips and stubs.
- (b) Bonds and coupons after maturity.
- (c) Cancelled checks, duplicates and check stubs.
- (d) License and permit applications, stubs and duplicates.
- (e) Official bonds.
- (f) Payrolls and other time and employment records of personnel included under the Wisconsin Retirement Plan.
- (g) Receipt forms.
- (h) Special assessment records.

- (i) Vouchers, requisitions, purchase orders and all supporting documents pertaining thereto.
- (j) Vouchers and supporting documents pertaining to charges not included in plant accounts of municipal utilities and the sewer department.
- (k) Other municipal utility and sewer department records, with the written approval of the State Public Service Commission.

(2) Utility Records -

The City Clerk may destroy the following records of any municipal utility, subject to the regulations by the State Public Service Commission, and of the sewer department of the City, of which the Clerk is the legal custodian, and which are considered obsolete, after completion of an audit by state auditors or by an auditor licensed under Chapter 442 of the Wisconsin Statutes, but not less than two (2) years after payment or receipt of the sum involved in the applicable transaction:

- (a) Water stubs.
- (b) Sewer rental charge stubs.
- (c) Receipts of current billings.
- (d) Customer's ledgers.

(3) Other Records -

The City Clerk may destroy the following records of which the Clerk is the legal custodian and which are considered obsolete, but not less than seven (7) years after the record was effective:

- (a) Assessment rolls and related records, including Board of Review minutes.
- (b) Contracts and papers relating thereto.
- (c) Correspondence and communications.
- (d) Financial reports other than annual financial reports.
- (e) Insurance policies.
- (f) Oaths of office.
- (g) Reports of boards, commissions, committees and officials duplicated in the Council minutes.
- (h) Resolutions and petitions.
- (i) Voter cards.

(4) Records Not to Be Destroyed -

The City Clerk shall not destroy any records pertaining to: the incorporation of the Village and City; any Council proceedings or proceedings of the Village before it was incorporated as a City, any original deeds, plats or maps.

(5) Notice Required -

Prior to the destruction of any public record described above, at least 60 days notice shall be given the State Historical Society pursuant to Wisconsin Statute § 19.21(4)(a) (2001-2002).

(6) Interpretation -

This section shall not be construed to authorize the destruction of any public record after a lesser period than that prescribed by statute or state administrative regulation.

### 3.09 Letting of Contracts

For all City construction contracts, Wisconsin Statute § 62.15 (2001-2002) shall apply; the authority vested in the Board of Public Works shall be exercised by the Council or as delegated by the same, pursuant to Section 1.25(2) of this Code.

### 3.10 Duplicate Treasurer's Bond

(1) Eliminated -

The City elects not to require the bond on the City Treasurer provided for by Wisconsin Statute § 70.67(1) (2001-2002).

(2) City Liable for Default of Treasurer -

Pursuant to Wisconsin Statute § 70.67(2) (2001-2002), the City shall pay, if the City Treasurer fails to do so, all taxes of any kind required by law to be paid by such Treasurer to the County Treasurer.

### 3.11 Temporary Investment of Funds Not Immediately Needed

The Treasurer may temporarily invest any City funds not immediately needed, pursuant to Wisconsin Statute § 66.0603(1m) (2001-2002).

### 3.12 Capital Improvements Budget<sup>1</sup>

(1) The Common Council shall annually prepare a Capital Improvements Budget in order to:

- (a) Provide the City's governing body with an overview of the mechanical and physical condition of the City;
- (b) Develop an organized approach to replacing capital goods; and

---

<sup>1</sup>Section 3.12 created by Ordinance No. 4-1987/88, Enacted July 20, 1987.

(c) Facilitate the budgetary process as it relates to capital expenditure purchases.

(2) Capital Improvements Estimate -

In addition to the regular budget requirements of Section 3.03, annually on or before June 1, each Department Head shall prepare a schedule of all projected capital improvements with anticipated expenditures of \$5,000.00 or more, for the following five (5) years.

(3) The schedule shall include an update of the previously approved list of capital improvements, and shall be submitted to the Clerk's Office in the following format:

**CITY OF SHEBOYGAN FALLS  
5 YEAR CAPITAL EXPENDITURE PROJECTION SCHEDULE**

PROJECTED EXPENDITURE DATE	DEPARTMENT	DESCRIPTION OF ITEM TO BE PURCHASED REPLACED OR RETIRED	ESTIMATE NET COST	COMMENTS

(4) Council Adoption -

The Clerk shall submit the above schedules to the Common Council at its first meeting after June 1 in each year. After reviewing the Department Head's' schedule of capital improvement estimates, the Council shall prepare a five- (5-) year capital improvement budget, which will serve as the document used as the guide for determinations during the regular § 3.03 budget process. Each year the Council will review the updated request making amendments where necessary, adding a new fifth year and adopting a new Capital Improvements Budget.

(5) Items Omitted from Capital Improvements Budget -

The Capital Improvements Budget shall serve as a guide to purchases. Items not on the approved list will not be approved unless the Department Head is able to provide the Council with sufficient information and justification to require that the purchase be made outside of the capital improvements budgetary process.

**3.13 Rooms or Lodging<sup>2</sup>**

(1) Definitions -

For the purpose of this section, the terms, phrases, words and their derivations shall have the meanings given in Wis. Stat. § 66.0615(1), as amended.

---

<sup>2</sup>Section 3.13 created by Ordinance No. 5-2004/05, Enacted July 20, 2004.

## (2) Imposition of Rooms or Lodging Tax; Rate -

Pursuant to Wis. Stat. § 66.0615, a tax is imposed on the privilege of furnishing, at retail, except sales for resale, rooms or lodging to transients by hotel keepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for the use of the accommodations. Any tax imposed under this section is not subject to the selective sales tax imposed by Wis. Stats. § 77.52(2)(a)(1) and may not be imposed on sales to the federal government and persons listed under Wis. Stats. § 77.54(9a). Such tax shall be at the rate of five percent (5%) of the gross receipts from such retail furnishing of rooms or lodgings. Seventy percent (70%) of any room tax so collected shall be spent solely for tourism promotion and development.

## (3) Quarterly Collection of Tax -

(a) This section shall be administered by the Director of City Services/Clerk/Treasurer. The tax imposed for each calendar quarter is due and payable on the last day of the month next succeeding the calendar quarter for which imposed. A return shall be filed with the Director of City Services/Clerk/Treasurer by those furnishing at retail such rooms and lodging, on or before the same date on which such tax is due and payable. Such return shall show the gross receipts of the preceding calendar quarter from such retail furnishing of rooms or lodging, the amount of taxes imposed for such period, and such other information as the Director of City Services/Clerk/Treasurer deems necessary, provided it is directly related to the tax.

(b) Every person required to file such quarterly returns shall also file an annual calendar year return which shall be filed within ninety (90) days of the close of each calendar year. The annual return shall summarize the quarterly returns, reconcile and adjust for errors in the quarterly returns, and shall contain certain such additional information as the Director of City Services/Clerk/Treasurer requires, provided it is directly related to the tax. Such annual returns shall be made on forms prescribed by the Director of City Services/Clerk/Treasurer. All annual returns shall be signed by the person required to file a return, or his duly authorized agent, but need not be verified by oath.

## (4) Administration of Tax Collection -

The Director of City Services/Clerk/Treasurer shall be responsible for the administration and collection of the room tax. The Director of City Services/Clerk/Treasurer may, by field audit, determine the tax required to be paid to the City or the refund due to any person under this section. The determination shall be made upon the basis of the facts contained in the return being audited and upon any other information available to the Director of City Services/Clerk/Treasurer. The Director of City Services/Clerk/Treasurer is authorized to examine and inspect the books, records, memoranda and property of any person which are directly related to the tax, or which have a direct bearing upon the gross receipts upon which the tax due is determined in order to verify the tax liability of that person or of another person. Nothing herein shall prevent the Director of City Services/Clerk/Treasurer from making a determination of tax at any time.

## (5) Tax Liability On Transfer of Business -

If any person liable for any amount of tax under this section sells out his business or stock of goods or quits the business, his successors or assigns shall withhold sufficient of the purchase price to cover such amount until the former owner produces a receipt from the

Director of City Services/Clerk/Treasurer that is has been paid or a certificate stating that no amount is due. If a person subject to the tax imposed by this section fails to withhold such amount of tax from the purchase price as required, he shall become personally liable for payment of the amount required to be withheld by him to the extent of the price of the accommodations valued in money.

(6) Determination of Tax -

(a) The Director of City Services/Clerk/Treasurer may, by field or office audit, determine the tax required to be paid to the City or the refund due to any person under this section. The determination may be made upon the basis of the facts contained in the return being audited or upon any other information within the Director of City Service/Clerk/Treasurer's possession. The Director of City Services/Clerk/Treasurer, or his designee, is authorized to examine and inspect the books, records, memoranda and property of any person in order to verify the tax liability of that person or another person. Nothing in this section shall prevent the Director of City Services/Clerk/Treasurer from making a determination of tax at any time.

(b) No refund or modification of the payment determined shall be granted until the person files a correct room tax return and permits the Director of City Services/Clerk/Treasurer to inspect and audit his financial records.

(7) Failure To Comply With Request To Audit -

Any person who fails to comply with a request by the Director of City Services/Clerk/Treasurer to inspect and audit financial records pursuant to this section shall be subject to a forfeiture of not less than three percent (3%) or more than five percent (5%) of the tax due, together with the costs of prosecution, and in default of payment thereof to imprisonment in the county jail until such costs and forfeitures have been paid, but not to exceed sixty (60) days.

(8) Penalty for Untimely Returns -

If any person fails to timely file a return, as required by this section, the Director of City Services/Clerk/Treasurer shall make an estimate of the amount of the gross receipts under paragraph (2). Such estimate shall be made for the period for which such person failed to make a return and shall be based upon any information which is in the Director of City Services/Clerk/Treasurer's possession or may come into her possession. On the basis of this estimate, the Director of City Services/Clerk/Treasurer shall compute and determine the amount required to be paid to the City, adding to the sum thus arrived at a penalty equal to ten percent (10%) thereof. One or more such determinations may be made for one or more than one period.

(9) Interest On Unpaid Taxes -

All unpaid taxes under this section shall bear interest at the rate of one percent (1%) per month from the due date of the return until the first day of the month following the month in which the tax was paid.

(10) Delinquent Tax Returns -

Delinquent tax returns shall be subject to a \$10.00 late filing fee. The tax imposed by this section shall become delinquent if not paid on the last day of the month next succeeding the calendar quarter for which imposed.

## (11) Failure To Pay Tax -

Any person who fails to pay the room tax prescribed by this section shall be subject to a forfeiture of not less than fifteen percent (15%) or more than twenty-five percent (25%) of the tax due, together with the costs of prosecution, and in default of payment thereof to imprisonment in the county jail until such costs and forfeitures have been paid, but not to exceed ninety (90) days.

## (12) Fraudulent Tax Returns -

If a person files a false or fraudulent return with the intent in either case to defeat or evade the tax imposed by this section, a penalty of fifty percent (50%) shall be added to the tax required to be paid, exclusive of interest and other penalties.

## (13) Security -

If any person fails to timely file a return, as required by this section, or fails to timely pay his tax liability as required by this article, the Director of City Services/Clerk/Treasurer may require such person to place security, not to exceed \$5,000.00 with the City.

## (14) Records To Be Maintained -

Every person liable for the tax imposed by this section shall keep or cause to be kept such records, receipts, invoices and other pertinent papers in such form as the Director of City Services/Clerk/Treasurer requires.

## (15) Confidentiality of Records -

All tax returns, schedules, exhibits, writings or audit reports relating to such returns, on file with the Director of City Services/Clerk/Treasurer are deemed to be confidential, except that there shall be exceptions for persons using the information in the discharge of duties imposed by law or of the duties of their office or by order of a court. The City may provide for the publishing of statistics classified so as not to disclose the identity of particular returns. Any person violating ordinances enacted under this subsection may be required to forfeit no less than \$100.00 nor more than \$500.

### 3.14 Collection of Electric, Water and Sewer Services Charges <sup>3</sup>

## (1) Notice of Arrears -

In accordance with Wis. Stat. § 66.0809(3), on October 15<sup>th</sup> of each year, the City of Sheboygan Falls Director of Administrative Services/Clerk/Treasurer shall give notice to the owner or occupant of all lots or parcels of real estate to which electric, water or sewer service has been furnished prior to October 1<sup>st</sup> by the City of Sheboygan Falls and payment for which is due and owing and in arrears as of the date of giving notice. The notice shall be in writing and shall state the amount of arrears, including any penalty assessed; that unless the amount is paid by November 1<sup>st</sup>, a penalty of ten percent (10%) will be added to the amount of arrears; that if the amount of arrears plus any penalty is not paid by November 15<sup>th</sup>, the arrears and penalty will be levied as a tax against the lot or parcel to which service was provided.

<sup>3</sup>Section 3.14 created by Ordinance No. 2009-\_\_\_\_\_, Enacted August 4, 2009.

## (2) Unpaid Charges as Liens -

- (a) On November 16<sup>th</sup> of each year, the Director of Administrative Services/Clerk/Treasurer shall compile a list of all lots or parcels of real estate, including the legal description, for which notice of arrears was given and for which arrears remain unpaid, stating the amount of arrears and the penalty.
- (b) Each delinquent amount, including the penalty, shall become a lien upon the lot or parcel of the real estate and the Director of Administrative Services/Clerk/Treasurer shall insert the delinquent amount and penalty as a tax against the lot or parcel of real estate.
- (c) All proceedings in relation to the collection of general property taxes and to the return and sale of property for delinquent taxes shall apply.

## (3) Mobile/Manufactured Home Unit –

If the utility service is furnished and metered directly to a mobile/manufactured home unit in a licensed mobile/manufactured home park, the notice shall be provided to the owner of the unit and the delinquent amount shall become a lien against the unit rather than the real estate on which the unit is located. A lien under this subsection may be enforced by using the procedures under Wis. Stat. § 779.48(2).