

CHAPTER 5
BUDGET ORDINANCE

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5.01 TITLE. This Ordinance may be cited as the Budget Ordinance.

5.02 DEFINITIONS. In this Chapter, unless the context clearly requires otherwise:

(a) "Appropriation" means an expenditure amount set aside in the County's annual adopted budget for a specified purpose.

(b) "Appropriation units" mean wages and benefits, operating expenses, interdepartmental charges, and capital outlay.

(c) "Board" means the Sheboygan County Board of Supervisors.

(d) "Committee" means the Finance Committee of the Board of Supervisors.

(e) "Director" means the Sheboygan County Finance Director.

(f) "Department" includes all County departments, boards, commissions, institutions, offices, and other agencies of Sheboygan County government for which funds may be legally appropriated.

(g) "Liaison Committees" mean the Committees of the Board of Supervisors which serve as the oversight Committee for a Department.

(h) "Plan" means the five-year capital projects plan.

(i) "Capitalization limit" means the cost at which capital purchases will be depreciated, rather than expensed in the current year.

5.03 FISCAL YEAR. The fiscal year for Sheboygan County shall be the calendar year.

5.04 ACCOUNTING AND BUDGETING PROCEDURE. Every accounting and budgeting procedure applied under this Section shall comply with generally accepted accounting principles for government as promulgated by the Governmental Accounting Standards Board or other authoritative sources. The Director shall inform the Committee of the source used by the County and of any changes thereof.

5.05 BUDGET GOALS. Between June 1 and July 1 of each year, the Finance Committee and the Executive Committee, using input from the County Administrative Coordinator and the Finance Director, shall establish budget goals and budget instructions for each Department Head to utilize in preparing their budget for the upcoming year.

5.06 BUDGET FORMULATION. Two separate budget processes take place each year. One process generates the capital projects budget, also known as the five- (5-) year plan, and the other generates the departmental operating budgets. Both the capital projects budget and the departmental operating budgets are combined into one final budget document for Sheboygan County. Each process is separately described below in Subsection (a) for the operating budget and Subsection (b) for the capital projects budget.

(a) Operating Budget.

(1) Initial Department Budget. Between June 1 and July 15 of each year, each Department shall prepare a proposed operating budget utilizing goals and instructions prepared by the Committee.

(2) Initial Department Budget Format. The budget shall be in a form developed by the Finance Department as approved by the Committee, which provides at least the following:

A. Projection of annual revenues and expenditures for the current fiscal year;

B. The Department's estimated revenues and expenditures for the ensuing fiscal year;

C. Any other information the Committee requests.

(3) Administrative Review. Between July 1 and August 15, the Department Head shall meet with the County Administrative Coordinator and Finance Director on a staggered schedule to review and refine the Department budget in anticipation of presenting the proposed budget to the Liaison Committee.

(4) Liaison Committee Review. Between August 1 and September 15, each Department Head shall meet with the Department's Liaison Committee. The Liaison Committee shall review the proposed budget and approve and modify the proposed budget as it deems appropriate.

(5) Finance Committee Review. Prior to the October session of the County Board, the Department Head and the Liaison Committee shall meet with the Committee to review the Department's requested budget as approved and modified by the Liaison Committee.

(6) Committee Recommendation. The Finance Committee shall make such changes in each Department's proposed budget as in the Committee's discretion may be deemed desirable or proper, and shall, on or after October 1, submit to the Board the full budget in Resolution form. The budget shall include:

A. a general summary of the detail contents of the budget;

B. a summary for each Department, showing the actual revenue and expense of the preceding fiscal year, the budgeted revenue and expense for the current year, the actual revenue and expense for not less than the first six (6) months of the current year, the estimated revenue and expense for the fiscal year currently ending, and the Department's budget recommendation for revenue, expense, use of fund balance and tax levy for the fiscal year next succeeding.

C. A comparative statement of any surplus and/or deficit from the preceding fiscal year not otherwise appropriated, along with any other funds being applied or reserved.

D. The anticipated revenues, fund balance use, and tax levy for the fiscal year next succeeding shall be equal in amount to the recommended expenditure appropriations.

E. The capitalization limit for capital expenditure items will be determined by the Finance Committee.

F. The budget shall be accompanied by a message which shall outline the important features of the budget Plan and indicate any major changes in policy or in recommended appropriations or revenues as compared with the fiscal year then ending and shall set forth the reasons for such changes.

G. The Capital Projects portion of the budget, as outlined in Section 5.06(b) and approved at the September Board meeting, is included in the proposed budget presented by the Committee.

H. The budget shall not include any funds for personnel positions unless such position exists in the table of organization at the time of the presentation of the proposed budget.

(7) Initial Budget Presentation.

A. The proposed budget shall be presented to the Board at its October session.

B. At such time, the Finance Committee shall present supplementary budget information that it determines to be helpful in the understanding of the document. Reading of the document or any parts thereof shall not be required.

(8) Budget Review and Public Hearing.

A. The Board shall hold a public hearing on the budget not later than the second Wednesday in November of each year at which time citizens may appear and express their opinions. The public hearing may be held in conjunction with the October Board meeting.

B. The Clerk shall publish as a Class I notice, under Wis. Stat. ch. 985, at least fifteen (15) days prior to the time of the public hearing, a summary of the Committee's budget as required by Wis. Stat. § 65.90(3) and the place where the budget in detail is available for public inspection, and the date, hour, and place of the Board's public hearing on the executive budget, in the official County newspaper.

C. The Board shall review the budget at its scheduled budget review session. The review shall be by category except that any Board member may require line-by-line reading and review within any and all categories. Motions to amend the budget shall be considered and voted on as presented. Upon completion of its review, the budget shall be re-referred to the Finance Committee. The Finance Committee shall report its recommendations as to the "reviewed" budget at the next succeeding Board meeting.

D. The public hearing and line-by-line review may be performed at the same meeting.

(9) Adoption.

A. The Board shall consider the proposed budget Resolution, with any final recommendations by the Finance Committee, at its November meeting and shall make such changes it deems proper and advisable. To the extent the Resolution is approved, the same shall constitute the County budget as defined in Wis. Stat. § 65.90. Fiscal information which is not designated as an appropriation in the Resolutions shall not be considered an appropriation. Such fiscal data is for informational purposes only and is not an appropriation.

B. At the same meeting as the budget Resolution is adopted, the Board shall pass as a separate Resolution, the tax levy necessary to implement the budget.

(b) Five-Year Capital Plan (Capital Projects).

(1) The Committee, as part of the annual budget development process, shall propose, in Resolution form, a Plan for submission to the County Board at its August monthly meeting. The Plan shall be generated from the requests of each Liaison Committee and shall be comprised of all capital projects of One Hundred Thousand Dollars (\$100,000.00) or more in total cost, which a Liaison Committee requests and which the Finance Committee endorses. Capital projects are defined as active or proposed non-operating expenditures, completed in one or more specified Plan years, with an expected life of more than one year.

(2) Between May 1 and June 1 of each year, each Department will prepare a request for projects to be included in the five- (5-) year capital improvements Plan. The Plan shall be approved by the respective Liaison Committee before consideration by the Committee.

(3) After approval, the Plan shall be sent to the Finance Department for compilation in a summary worksheet to be reviewed by the Finance Committee. The Committee will meet prior to the August board meeting to review and prioritize the requested projects, to amend, add, or delete projects from the Plan, and to determine appropriate sources of funding. Liaison Committee members are encouraged to be present to provide input to the Committee.

(4) The Committee shall send a Resolution to the County Board at its August meeting recommending a specific five- (5-)year Plan. The Board shall refer the Plan to the Executive Committee without regard to the timing of the public hearing under Section 5.06(a)(8), above.

(5) The Executive Committee shall report back to the full Board at the September meeting. When the Executive Committee report is submitted to the Board at its September monthly meeting, the Board may adopt the Plan as proposed by the Committee, or it may adopt it as amended by the Executive Committee or as amended on the floor.

(6) That portion of the Plan as adopted by the Board at its September meeting which identifies capital projects approved for the upcoming budget year shall constitute the capital projects portion of the full budget for the coming year.

5.07 BUDGET CONTROL POLICIES. The County budget is a financial plan for Sheboygan County developed in accordance with the Sheboygan County Code of General Ordinances, the Resolutions duly adopted by the County Board, Uniform Accounting Manual for Wisconsin Counties, and the pronouncements of the Governmental Accounting Standards Board. Budget control policies are as follows:

(a) Change After Levy. As used in this Section, "appropriation" means departmental appropriation unit. The departmental appropriation units are: Salaries and benefits; operating expenses, interdepartmental charges; and capital outlay expenditures. Capital projects are separately budgeted, are not part of departmental budgets, and are not covered by this Section. The amounts of the various appropriations and the purposes for such appropriations stated in the budget may not be changed unless authorized by two-thirds (2/3) vote of the Board, all in accordance with Wis. Stat. § 65.90(5)(a), except that the Finance Committee may authorize expenditures, transfers, and variances without Board approval in the following circumstances:

(1) Capital Outlay Reprioritizations. Upon request of a Liaison Committee, the Finance Committee may authorize capital outlay account expenditures for items in substitution for those budgeted, provided the expenditure does not exceed the amount budgeted for the deleted items.

(2) Underfunded Appropriation Units. Upon request of a Liaison Committee, the Finance Committee may transfer funds between appropriation units of a Department, so long

as such transfers are not in excess of ten percent (10%) of the funds originally provided for such Department in the budget. The Finance Committee may also authorize expenditures in excess of the original budget, provided that:

- A. Additional, unbudgeted revenues will affect the extra cost, or
- B. Contingency funds are approved for the additional expenditure, or
- C. Fund balance is to be used to absorb the extra expense; so long as such additional expense is not in excess of ten percent (10%) of the funds originally provided for such departmental appropriation unit in the budget.

Any transfer from the Contingency Fund shall also be subject to the following subsection.

(3) Contingency Fund Transfers: The County Board may annually provide an allocation for the Contingency Fund, which is intended to be used only for emergency needs that were not anticipated during the budget development process. The Finance Committee may, if approved by two-thirds (2/3) vote of the Committee, transfer funds from the Contingency Fund for underfunded or unbudgeted items of up to the lesser of Twenty-five Thousand Dollars (\$25,000.00) or ten percent (10%) of the Contingency Fund appropriation. All other transfers from the Contingency Fund may be made only by majority vote of the Board. If a Department receives less third-party (non-levy) revenue than budgeted, corresponding reductions in budgeted expenditures shall be made unless the Liaison Committee and Finance Committee approve to the contrary. Any time a change to a budgetary appropriation is made pursuant to this Section, the Clerk shall publish a notice thereof within ten (10) days after such change is made. Transfers within a departmental appropriation unit do not constitute a change to a budgetary appropriation.

(4) Use of Fund Balance. The Finance Committee may use General Fund Undesignated Fund Balance if Contingency Funds are not available. Use of fund balance is subject to the provisions of Section 5.07(a)(3).

(b) General Obligation Debt. After 2002, no budget may be adopted which provides for new capital project expenditures financed through bonds issued pursuant to Wis. Stat. § 67.05 in excess of Four Million Dollars (\$4,000,000.00) for current year expenditures and Four Million Dollars (\$4,000,000.00) for prior year expenditures not already financed unless the Board, as part of the budget process, adopts by two-thirds (2/3) vote a companion Resolution to the budget authorizing the additional bonding.