

**City of Delafield
Waukesha County, State of Wisconsin
Investment Policy**

SCOPE

This policy applies to the financial assets of all funds under the authority of the City of Delafield, including, but not limited to, the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Trust and Agency Funds, Debt Service Funds and any fund created by the City Council, unless specifically exempted. Financial assets of funds not under the authority of the City of Delafield are administered in accordance with a separate policy. Financial assets of all other funds may be administered in accordance with this Policy, but are not required to.

I. GENERAL OBJECTIVES

1. Safety

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in individual investments and the overall portfolio. The objective will be to mitigate credit risk, interest rate risk and custodial risk.

a. Credit Risk

The City will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities permitted under Wisconsin Statutes Chapter 66.0603.
- The City Council shall by resolution approve the public depositories that are deemed appropriate for use under Wisconsin and Federal law.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

c. Custodial Risk

The City will minimize custodial risk, which is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it, by:

- Maintaining a list of public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services.
- All public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Investment portfolios will be structured so that securities mature concurrent with cash needs to meet anticipated demands. Alternatively, a

portion of any portfolio may be placed in money market mutual funds or local government investment pools authorized and permissible under Wisconsin statutes which offer same-day liquidity for short term funds.

3. Yield

Investment portfolios shall be designed with the objective of attempting to attain a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit quality may be sold prior to maturity to minimize loss of principal.
- Liquidity needs of the City require a security or securities are sold prior to maturity.
- A security swap would improve the safety and yield of the overall portfolio.

With the exception of cash accounts, all investments will be selected on the basis of competitive quotations; at least two qualified institutions will be contacted each time an investment is placed.

II. STANDARDS OF CARE

1. Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard, which states “investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived” and shall be applied in the context of managing an overall portfolio.

Investment officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely manner and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. Notwithstanding any other provision of law, any City employee, in the absence of the investment officer, who deposits public money in any authorized public depository, in compliance with Wisconsin statutes sec. 34.05 is, under the provisions of Wisconsin statutes sec. 34.06, relieved of any liability for any loss of public monies which results from the failure of any public depository to repay the public depositor the full amount of its deposits, thus causing a loss as defined in Wisconsin Statutes sec. 34.01(2).

2. Ethics and Conflicts of Interest

City officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Officers and employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

3. Delegation of Authority

As authorized by City Municipal Code §3.09, management and administrative responsibility for the investment program of the City is entrusted to the City Treasurer under the directions of the City Council. Individuals authorized to engage in investment

transactions on behalf of the City are the City Treasurer or those individuals designated by the City Council.

4. Authorized and Suitable Investments

Authorized investments include any investment stipulated in Wisconsin statute 66.0603 (1m).

- a) In accordance with Wisconsin statutes 34.01 (5) and 34.09 all Wisconsin banks, state or federal chartered, as well as the Wisconsin local government pooled-investment fund, are authorized depositories. The City Treasurer shall maintain a list of financial institutions, designated by resolution, to act as public depositories for the City. In any individual authorized and designated depository demand deposits, Certificates of Deposit and any other time deposit shall be collateralized in an amount equal to 102% of the deposit less the amount of Federal Deposit Insurance Corporation (FDIC) protection in effect at the time and the amount of coverage provided for under Wisconsin Statutes 20.144(1)(a) and 34.08(2).
- b) The City Treasurer shall maintain a list of investment advisors, broker/dealers and other investment services providers, designated by resolution, to provide investment advice and services to the City.
- c) Financial institutions, investment advisors, broker/dealers and other investment services providers identified in (a) and (b) above shall be required to submit audited financial statements annually.

III. INTERNAL CONTROLS

The City of Delafield shall establish a system of internal controls designed to prevent losses of City funds arising from fraud, misrepresentation by third parties, unanticipated changes in financial markets, employee error or imprudent actions by employees.

Internal controls shall address:

- Separation of transaction authority from accounting and recordkeeping.
- Clear delegation of authority to subordinate staff members.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorizations of wire transfers.
- Development of a wire transfer agreement with the lead bank and third-party custodian.
- Investment and interest earnings will be recorded in the City accounting records based on generally accepted government accounting procedures.
- A monthly summary of all investment transactions will be prepared by the City Treasurer for review by the City Council.

IV. INVESTMENT PARAMETERS

Diversification

Investments shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer, industry or business sector, excluding U.S. Treasury obligations.
- Investing in securities with varying maturities.

- Continuously investing a portion of the investment portfolio in readily available funds such as local government investment pools, money market accounts or money market mutual funds permissible under state statute.

V. REPORTING

The City Treasurer shall present a monthly report on the investment program and investment activity to the City Council. The report shall include a management summary displaying the status of the investment portfolio and shall be prepared in a manner that will allow the City Council to determine if investment activities during the reporting period conform to this Investment Policy.

VI. POOLING OF CASH

Except where otherwise provided by the City Council, the City Treasurer is authorized to pool the cash of various funds to maximize investment earnings where it is advantageous and prudent to do so. Investment income will be allocated to the various funds based on the pro rata portion of each fund.

VII. ADOPTION AND APPROVAL

By resolution, this Investment Policy shall be formally approved and adopted by the City Council and reviewed as needed but at least every three years.

VIII. LIST OF ATTACHMENTS

The following documents, as applicable, are attached to this policy:

- Relevant Wisconsin statutes and local ordinances
- List of authorized public depositories, financial institutions, investment advisors and broker/dealers
- Internal Controls

Approved and adopted this 17th day of May, 2010.

20.143 APPROPRIATIONS AND BUDGET MANAGEMENT

remainder to be transferred to the petroleum inspection fund for the purposes of the petroleum storage remedial action program under s. 101.143. Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

(sm) *Diesel truck idling reduction grants.* From the petroleum inspection fund, the amounts in the schedule for diesel truck idling reduction grants under s. 560.125. No funds may be encumbered under this paragraph after June 30, 2015.

(sn) *Diesel truck idling reduction grant administration.* From the petroleum inspection fund, the amounts in the schedule for administering the Diesel Truck Idling Reduction Grant Program under s. 560.125. No funds may be encumbered under this paragraph after December 31, 2016.

(t) *Petroleum inspection fund — revenue obligation repayment.* From the petroleum inspection fund, a sum sufficient to repay the fund in the state treasury created under s. 18.57 (1), or the separate and distinct fund outside the state treasury under s. 18.562 (3), the amount needed to retire revenue obligations issued under subch. II or IV of ch. 18, as authorized under s. 101.143 (9m), and to make payments under an agreement or ancillary arrangement entered into under s. 18.55 (6) with respect to revenue obligations issued under s. 101.143 (9m).

(u) *Revenue obligation debt service — petroleum inspection fund.* From the fund in the state treasury created under s. 18.57 (1), all moneys received by the fund for the purpose of the retirement of revenue obligations, providing for reserves and for operations relating to the management and retirement of revenue obligations issued under subch. II or IV of ch. 18, as authorized under s. 101.143 (9m), and to make payments under an agreement or ancillary arrangement entered into under s. 18.55 (6) with respect to revenue obligations issued under s. 101.143 (9m). All moneys received by the fund are irrevocably appropriated in accordance with subch. II of ch. 18 and further established in resolutions authorizing the issuance of the revenue obligations and setting forth the distribution of funds to be received thereafter. Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

(v) *Petroleum storage environmental remedial action; awards.* Biennially, from the petroleum inspection fund, the amounts in the schedule to pay awards under s. 101.143, legal costs incurred under s. 101.143 (7m), amounts to reduce principal of outstanding revenue obligations issued pursuant to s. 101.143 (9m) and, if the department promulgates rules under s. 101.143 (2) (i) 1., to purchase, or provide funding to purchase, insurance described in s. 101.143 (2) (i) 2.

(vb) *Petroleum storage environmental remedial action revenue bonding; awards.* From the petroleum inspection fund, a sum sufficient not to exceed the net proceeds of special fund obligations issued pursuant to s. 101.143 (9m) to pay awards under s. 101.143 (4) and legal costs incurred under s. 101.143 (7m). Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

(vm) *Removal of underground petroleum storage tanks.* From the petroleum inspection fund, the amounts in the schedule for the removal of abandoned underground petroleum storage tanks under s. 101.1435.

(w) *Petroleum storage environmental remedial action; administration.* From the petroleum inspection fund, the amounts in the schedule for the administration of ss. 101.143, 101.1435, and 101.144.

(4) EXECUTIVE AND ADMINISTRATIVE SERVICES. (a) *General program operations.* The amounts in the schedule for general program operations.

(g) *Gifts, grants and proceeds.* All moneys received from gifts, donations, grants, bequests and devises and all proceeds from services, conferences and sales of publications and promotional materials to carry out the purposes for which made or collected.

(k) *Sale of materials or services.* All moneys received from the department or other state agencies for providing materials and services.

(ka) *Sale of materials and services — local assistance.* All moneys received from the department or other state agencies for providing materials and services as local assistance.

(kb) *Sale of materials and services — individuals and organizations.* All moneys received from the department or other state agencies for providing materials and services to individuals and organizations.

(kd) *Administrative services.* The amounts in the schedule for administrative and support services for programs administered by the department. All moneys received by the department from the department, except for moneys directed to be deposited under pars. (k), (ka) and (kb) and subs. (1) (k), (ka) and (kb) and (3) (ks), as payment for administrative and support services for programs administered by the department shall be credited to this appropriation.

(ke) *Transfer of unappropriated balances.* All moneys transferred from program revenue and program revenue–service appropriation accounts under 1995 Wisconsin Act 116, section 7 (1) (b), for the purpose of funding the transfer under 1995 Wisconsin Act 116, section 7 (1) (a).

(m) *Federal aid, state operations.* All moneys received from the federal government, as authorized by the governor under s. 16.54, for state operations.

(n) *Federal aid, local assistance.* All moneys received from the federal government, as authorized by the governor under s. 16.54, for local assistance.

(o) *Federal aid, individuals and organizations.* All moneys received as federal aid, as authorized by the governor under s. 16.54, for aids to individuals and organizations.

(pz) *Indirect cost reimbursements.* All moneys received from the federal government as reimbursement of indirect costs of grants and contracts for the purposes authorized in s. 16.54 (9) (b).

History: 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256; 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358; 2007 a. 20, 125, 225; 2009 a. 2, 16, 28; s. 13.92 (2) (i).

20.144 Financial institutions, department of. There is appropriated to the department of financial institutions for the following programs:

(1) SUPERVISION OF FINANCIAL INSTITUTIONS, SECURITIES REGULATION AND OTHER FUNCTIONS. (a) Losses on public deposits. A sum sufficient for the payment to public depositors under s. 34.08 of losses as defined by s. 34.01 (2) and the expenses of administration and any reinsurance costs. The aggregate of payments may not exceed the total of all of the following:

1. The balance in the state deposit fund as of the close of business on June 30, 1955.
2. Interest on the balance under subd. 1. at the rate of 2 1/2% per year computed to July 31, 1985.
3. Beginning on August 1, 1985, interest on the balance under subd. 1. at a rate of 5% per year computed to the date of any payment of a loss.

(g) *General program operations.* The amounts in the schedule for the general program operations of the department of financial institutions. Except as provided in pars. (a), (h), (i), and (u), all moneys received by the department, other than by the office of credit unions and the division of banking, and 88% of all moneys received by the department's division of banking shall be credited to this appropriation, but any balance at the close of a fiscal year under this appropriation shall lapse to the general fund. Annually, \$200,000 of the amounts received under this appropriation

CHAPTER 34

PUBLIC DEPOSITS

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| <p>34.01 Definitions.</p> <p>34.02 Exemption.</p> <p>34.03 Powers of the division of banking.</p> <p>34.045 Depository selection board.</p> <p>34.05 Designation of public depositories.</p> <p>34.06 Liability of treasurers.</p> <p>34.07 Security.</p> | <p>34.08 Payment of losses.</p> <p>34.09 Financial institutions eligible as public depositories.</p> <p>34.095 Certain foreign financial institutions ineligible as public depositories.</p> <p>34.10 Reorganization and stabilization of financial institutions.</p> <p>34.105 Withdrawal of public funds.</p> <p>34.11 Penalties.</p> |
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34.01 Definitions. In this chapter:

(1) “Governing board” means the investment board in the case of the state, the housing and economic development authority if the authority elects to be bound by all or part of this chapter under s. 234.32 (2), the county board or committee designated by the county board to designate public depositories in the case of a county, the city council in the case of a city, the village board in the case of a village, the town board in the case of a town, the school board in the case of a school district, the board of control in the case of a cooperative educational service agency, the clerk of court in the case of any court in this state, and any other commission, committee, board or officer of any governmental subdivision of the state not mentioned in this subsection.

(2) “Loss” means any of the following:

(a) Any loss of public moneys, which have been deposited in a designated public depository in accordance with this chapter, resulting from the failure of any public depository to repay to any public depositor the full amount of its deposit because the office of credit unions, administrator of federal credit unions, U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift supervision, federal deposit insurance corporation, resolution trust corporation, or division of banking has taken possession of the public depository or because the public depository has, with the consent and approval of the office of credit unions, administrator of federal credit unions, U.S. office of thrift supervision, federal deposit insurance corporation, resolution trust corporation, or division of banking, adopted a stabilization and readjustment plan or has sold a part or all of its assets to another credit union, bank, savings bank, or savings and loan association which has agreed to pay a part or all of the deposit liability on a deferred payment basis or because the depository is prevented from paying out old deposits because of rules of the office of credit unions, administrator of federal credit unions, U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift supervision, federal deposit insurance corporation, resolution trust corporation, or division of banking.

(b) With respect to public moneys deposited in the local government pooled–investment fund, in addition to a loss as described in par. (a), the public depositor’s proportionate share of any loss of principal invested or reinvested by the investment board under s. 25.50 (6).

(3) “Public deposit” means public moneys deposited by a public depositor in a public depository, including private moneys held in trust by a public officer.

(4) “Public depositor” means the state or any county, city, village, town, drainage district, power district, school district, cooperative educational service agency, sewer district, or any commission, committee, board or officer of any governmental subdivision of the state or any court of this state, a corporation organized under s. 39.33 or the housing and economic development authority if the authority elects to be bound by all or part of this chapter under s. 234.32 (2), which deposits any moneys in a public depository.

(5) “Public depository” means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, federal or state savings bank, or national bank in this state which receives or holds any public deposits or the local government pooled–investment fund.

(6) “Public moneys” means all moneys coming into the hands of the treasurer of a public depositor by virtue of his or her office without regard to the ownership of the moneys.

(7) “Treasurer” means any duly elected, appointed or acting official or employee of a public depositor whose duties require that he or she receive and account for public moneys.

History: 1975 c. 164, 180, 422; 1977 c. 225, 320, 449; 1979 c. 221, 301, 318, 355; 1981 c. 390 s. 252; 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 189, 368, 538; 1985 a. 25; 1987 a. 399; 1991 a. 221; 1995 a. 27; 1999 a. 9; 2003 a. 33.

Legislative Council Note, 1985: Sub. (2) is amended to remove the reference to a required payment made into the state deposit guarantee fund, since the fund is prospectively abolished in this bill.

Sub. (3) is amended in order to shorten the definition by making use of other defined terms in the section.

Sub. (5) is amended to specifically include “federal or state” credit unions and “federal or state” savings and loan associations as public depositories.

Sub. (6) is amended to shorten the definition by making use of other defined terms in the section. In making use of the term “public depositor”, this subsection specifically includes the treasurer of a corporation organized under s. 39.33. This corporation, created by the higher educational aids board to provide for a guaranteed student loan program, is included in the definition of “public depositor” in sub. (4), but is not listed in current sub. (6).

Sub. (7) is amended to shorten the definition by making use of other defined terms in the section. In making use of the term “public depositor”, this subsection specifically includes the treasurer of a corporation organized under s. 39.33. This corporation, created by the higher educational aids board to provide for a guaranteed student loan program, is included in the definition of “public depositor” in sub. (4), but is not listed in current sub. (7). [85 Act 25]

34.02 Exemption. This chapter shall not apply to trustees and fiscal agents appointed under s. 18.10 (8) or 67.10 (2).

History: 1979 c. 34; 1987 a. 197.

34.03 Powers of the division of banking. The division of banking may do any of the following:

(1) Make and enforce rules necessary for the implementation of this chapter.

(2) Require any public depository or the trustees of segregated trusts created by banks for the benefit of public depositors to furnish information upon request. Any public depository which refuses or neglects to give any information so requested shall be excluded from the right to receive public deposits. Information obtained under this subsection may not be disclosed by the division of banking unless disclosed as provided in s. 220.06.

(3) Take such action as the division deems necessary or appropriate for the protection, collection, compromise or settlement of any claim against or in favor of the appropriation under s. 20.144 (1) (a).

(4) Exercise all powers reasonably necessary and proper to the full and complete performance of the division’s functions under this chapter, including but not limited to ordinary powers granted corporations.

History: 1985 a. 25; 1995 a. 27.

34.03 PUBLIC DEPOSITS

Legislative Council Note, 1985: This section is repealed and recreated in order to remove the following powers of the commissioner of banking related to the operation of the state deposit guarantee fund:

Contracting for reinsurance of the fund to protect it against excessive loss.

Fixing the rate of payment into the fund.

Levying and collecting penalties.

Prescribing rules for the qualification of credit unions, banks and savings and loan associations as public depositories and fixing terms and conditions under which public deposits may be held.

Fixing the official date on which losses shall be deemed to have been incurred. With respect to this power, see proposed s. 34.08 and the NOTE following that treatment.

The section also provides that information obtained from public depositories by the commissioner of banking may not be disclosed by the commissioner unless the information is disclosed as provided in s. 220.06. That section of the statutes provides, in part, that the commissioner of banking, officers and employees of the office of the commissioner and members and employees of the banking review board are bound by oath to keep secret all facts and information obtained in the course of examinations except in specified circumstances. [85 Act 25]

34.045 Depository selection board. (1) The depository selection board shall:

(a) Establish procedures for the selection of public depositories by state agencies and departments and procedures for contracting for the reasonable and necessary depository services by state agencies and departments and may direct the combination or division of services so as to provide convenient and cost efficient services.

(b) Establish procedures by which state agencies and departments pay for services through compensating balances or fees, or a combination of both methods.

(bm) Direct the secretary of administration to maintain compensating balances, or direct the investment board to pay bank service costs as allocated by the secretary of administration under s. 25.19 (3) directly from the income account of the state investment fund, or by a combination of such methods.

(e) Require utilization of competitive bidding under s. 16.75 in the designation of all state public depositories and in contracting for depository services.

(f) Establish by rule minimum depository operational requirements that any institution must meet prior to being considered as eligible to submit any proposal to serve as a public depository or to provide services.

(g) Upon request of any state agency or department, provide assistance in the selection of a depository.

(2) In the exercise of its authority, the depository selection board shall require any state department or agency to submit to it for prior review, elimination, consolidation, renegotiation or confirmation any existing service contract or service proposed by the department or agency.

(3) The board may, for cause, disapprove any contract submitted to it under sub. (2) if it finds the proposed contract to be in violation of the guidelines established under sub. (1), or to have been improperly negotiated or to be otherwise illegal. If the board fails to disapprove a proposed contract within 60 days after it is submitted by the department or agency, the contract shall be deemed approved. The board shall provide written justification for disapproving a contract proposed by a state agency or department. A disapproval is subject to judicial review under ch. 227.

(4) State agencies and departments shall provide the board with a written justification for any proposed contract award for service.

History: 1977 c. 418; 1979 c. 136; 1983 a. 368; 1989 a. 31; 1993 a. 16; 2003 a. 33, 320; 2009 a. 28.

34.05 Designation of public depositories. (1) The governing board of each public depositor shall, by resolution, designate one or more public depositories, organized and doing business under the laws of this state or federal law and located in this state, in which the treasurer of the governing board shall deposit all public moneys received by him or her and specify whether the moneys shall be maintained in time deposits subject to the limitations of s. 66.0603 (1m), demand deposits, or savings deposits and whether a surety bond or other security shall be required to be furnished under s. 34.07 by the public depository to secure the repay-

ment of such deposits. A designation of a public depository by the governing board shall be a designation of the public depository for all treasurers of the governing board and for all public depositors for which each treasurer shall act.

(2) Whenever any governing board fails or refuses to designate a public depository, the treasurer of the public depositor, after notice in writing to each member of the governing board and subject to further action of the governing board, may designate public depositories for no longer than 90 days in the same manner as if designated by the governing board.

(3) Every treasurer shall deposit public moneys immediately upon receipt in the name of the public depositor in the public depository or public depositories designated by the governing board.

History: 1975 c. 180; 1979 c. 318; 1983 a. 368; 1985 a. 25; 1989 a. 31; 1999 a. 150 s. 672; 2001 a. 30; 2009 a. 28.

Legislative Council Note, 1985: Sub. (1) is amended to remove the requirements that (a) the governing board of each public depositor file a certified copy of its resolution that designates a public depository with the commissioner of banking and (b) a public depository be approved as a qualified public depository by a state or federal regulator. The subsection is further amended by removing the prohibition that a public depositor may not condition its public depository decisions upon an agreement by the public depository to invest deposits in any particular form of investment or in any particular geographic location.

Sub. (1) is also amended to clarify that it is the governing body's responsibility to determine whether collateral, a surety bond or other security, shall be furnished by the public depository as a means of securing public deposits.

Sub. (2) is amended to remove the requirement that a treasurer, acting when a governing board fails to act, must certify a designation of a public depository to the commissioner of banking.

Sub. (3) contains no substantive changes. However, defined terms are substituted for existing language.

Sub. (4) is repealed. This subsection relates to payments made to the state deposit guarantee fund and penalties based on those payments by any municipality attempting to evade the requirements of ch. 34. This subsection is no longer necessary since the fund is prospectively abolished in this bill. [85 Act 25]

34.06 Liability of treasurers. Notwithstanding any other provision of law, a treasurer who deposits public moneys in any public depository, in compliance with s. 34.05, is thereby relieved of liability for any loss of public moneys which results from the failure of any public depository to repay to the public depositor the full amount of its deposits thus causing a loss as defined in s. 34.01 (2).

History: 1983 a. 189 s. 329 (21); 1985 a. 25.

Legislative Council Note, 1985: This section is amended to retain the immunity to liability for treasurers of public depositors who comply with s. 34.05. This section is amended to remove references to bonds or security since this bill amends s. 34.07 to permit a public depositor to require a bond or other security for public deposits. Further, this section is amended to shorten the listing of treasurers by making use of the defined term in s. 34.01 (7). In making use of the term "treasurer", this subsection specifically includes the treasurer (or clerk, in the case of a court) of:

A cooperative educational service agency.

Any court of Wisconsin.

A corporation organized under s. 39.33, by the Wisconsin higher educational aids board, to provide for a guaranteed student loan program.

The housing and economic development authority.

The bodies listed above are included in the definition of "public depositor" in s. 34.01 (4), but are not listed in current s. 34.06. [85 Act 25]

34.07 Security. A surety bond or other security may be required of or given by any public depository for any public deposits that exceed the amount of deposit insurance provided by an agency of the United States and the coverage provided under s. 34.08 (2).

History: 1985 a. 25; 2005 a. 134.

Legislative Council Note, 1985: This section is amended to provide that a surety bond or other security may be required of or given by a public depository for any public deposits for the amount of deposits that exceeds the deposit insurance for each account and the \$400,000 amount for all accounts available under s. 34.08 (2). The amendment removes the prohibition on the use of a bond or other security by a public depository which is seeking public deposits. [85 Act 25]

34.08 Payment of losses. (1) Except as provided in sub. (2), the appropriation in s. 20.144 (1) (a) shall be used to repay public depositors for losses until the appropriation is exhausted.

(2) Payments under sub. (1) shall be made in the order in which satisfactory proofs of loss are received by the division of banking. The payment made to any public depositor for all losses of the public depositor in any individual public depository may not exceed \$400,000 above the amount of deposit insurance pro-

vided by an agency of the United States at the public depository that experienced the loss. Upon a satisfactory proof of loss, the division of banking shall direct the department of administration to draw its warrant payable from the appropriation under s. 20.144 (1) (a) and the secretary of administration shall pay the warrant under s. 16.401 (4) in favor of the public depositor that has submitted the proof of loss.

(3) Losses become fixed as of the date of loss. A public depositor experiencing a loss shall, within 60 days of the loss, assign its interest in the deposit, to the extent of the amount paid under this section, to the division of banking. Upon failure to make the assignment, the public depositor shall forfeit its right to payment under this section. Any recovery made by the division of banking under the assignment shall be repaid to the appropriation under s. 20.144 (1) (a).

History: 1985 a. 25; 1995 a. 27; 2003 a. 33; 2005 a. 134.

Legislative Council Note, 1985: This section is repealed and recreated to prospectively abolish the state deposit guarantee fund. See also the amendment of s. 34.06 and the NOTE following that treatment.

Subs. (1) and (2) provide that the pledge of state general purpose revenues to the existing state deposit guarantee fund in s. 20.124 (1) (a), will be used to repay public depositors for losses until the appropriation is exhausted. Payments are to be made in the order in which satisfactory proofs of loss are received by the commissioner of banking and are limited to no more than \$400,000 above the amount of applicable federal deposit insurance or insurance provided by the Wisconsin Credit Union Savings Insurance Corporation.

Sub. (3) continues the substance of present s. 34.08 (3) by providing that a public depositor must, within 60 days of a loss, assign its interest in the deposit, to the extent of payments made under this section, to the commissioner of banking. Upon the failure to make this assignment, the public depositor loses its right to payment. The subsection also specifically provides that a recovery made by the commissioner of banking under an assignment must be repaid to the treasury for future use under s. 20.124 (1) (a). [85 Act 25]

34.09 Financial institutions eligible as public depositories. Every federal or state credit union, state bank, federal or state savings and loan association, savings and trust company and federal or state savings bank and every national bank may be designated as a public depository and may receive and hold public deposits, subject to this chapter, if the financial institution has a branch or main office located in this state, complies with this chapter with respect to public deposits and accepts payments made by the state under s. 16.412. The division of banking has the same powers and duties with regard to making and continuing public deposits in national banks, federal and state credit unions, federal and state savings banks and federal and state savings and loan associations as the powers and duties exercised and performed by the division of banking with regard to public deposits in state banks.

History: 1975 c. 180, 421; 1981 c. 20; 1981 c. 390 s. 252; 1983 a. 368; 1985 a. 25; 1991 a. 221; 1995 a. 27, 336.

Legislative Council Note, 1985: This section is amended to provide that a public depository is not required to file with the commissioner of banking an agreement that it will pay specified sums to the state deposit guarantee fund. This provision is no longer necessary since the state deposit guarantee fund is prospectively abolished in this bill. Section 34.09 also is amended to remove references to the authority of the commissioner of banking to specify qualifications for, and conditions on, public depositories. The bill removes this authority in the repeal and recreation of s. 34.03.

Also, in s. 34.09 instead of providing that every financial institution in Wisconsin which "complies in all respects as to public deposits with this chapter and which accepts payments made by the state under s. 16.412", the phrase "complies in all respects as to public deposits with this chapter and will accept payments made by the state under s. 16.412" has been substituted. The significance of the change is that financial institutions need not actually accept payments by the state under s. 16.412, in order to be eligible as public depositories. Instead, financial institutions must accept these payments only if made, in order to be eligible as public depositories. [85 Act 25]

34.095 Certain foreign financial institutions ineligible as public depositories. Whenever the ownership, control or power to vote a majority interest in the stock of any state or national bank, savings bank or savings and loan association doing business in Wisconsin is held or in any manner exercised by any foreign corporation, association or trust, which has not filed its

articles of incorporation and obtained authority to do business in this state as provided in ss. 180.1501 and 180.1503 to 180.1507, such bank, savings bank or savings and loan association shall not be qualified to act as a public depository for any public moneys, nor as a depository for reserve funds of state banks until ss. 180.1501 and 180.1503 to 180.1507 are complied with by the foreign corporation, association or trust.

History: 1975 c. 180; 1989 a. 303; 1991 a. 221.

34.10 Reorganization and stabilization of financial institutions. Whenever the office of credit unions, administrator of federal credit unions, U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift supervision, federal deposit insurance corporation, resolution trust corporation, or division of banking has taken charge of a credit union, bank, savings bank, or savings and loan association with a view of restoring its solvency, pursuant to law, or with a view of stabilizing and readjusting the structure of any national or state credit union, bank, savings bank, or savings and loan association located in this state, and has approved a reorganization plan or a stabilization and readjustment agreement entered into between the credit union, bank, savings bank, or savings and loan association and depositors and unsecured creditors, or when a credit union, bank, savings bank, or savings and loan association, with the approval of the office of credit unions, administrator of federal credit unions, U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift supervision, federal deposit insurance corporation, resolution trust corporation, or division of banking proposes to sell its assets to another credit union, bank, savings bank, or savings and loan association which agrees to assume a part or all of the deposit liability of such selling credit union, bank, savings bank, or savings and loan association and to pay the same on a deferred payment basis, the governing board of the public depositor may, on the approval of the division of banking, join in the execution of any reorganization plan, or any stabilization and readjustment agreement, or any depositor's agreement relative to a proposed sale of assets if, in its judgment and that of the division of banking, the reorganization plan or stabilization and readjustment agreement or proposed sale of assets is in the best interest of all persons concerned. The joining in any reorganization plan, or any stabilization and readjustment agreement, or any proposed sale of assets which meets the approval of the division of banking does not waive any rights under this chapter.

History: 1975 c. 180; 1983 a. 368; 1991 a. 221; 1995 a. 27; 1999 a. 9; 2003 a. 33.

34.105 Withdrawal of public funds. (1) Withdrawal or disbursement by a treasurer of any county, city, village, town, school district or cooperative educational service agency of moneys deposited in a public depository shall be made as provided by s. 66.0607 (1) to (5). "Treasurer" as used in this subsection means only the elected, appointed or acting official treasurer of a county, city, village, town, school district or cooperative educational service agency and does not include all of the other persons within the definition of that term in s. 34.01 (7). This section does not affect s. 67.10 (2).

(2) Withdrawal or disbursement of moneys deposited in a public depository by treasurers as defined in s. 34.01 (7), except those mentioned in sub. (1) shall be as provided in s. 66.0607 (6).

History: 1979 c. 301; 1999 a. 150 s. 672.

34.11 Penalties. Any person who willfully violates ss. 34.01 to 34.10, or any orders or rules promulgated by the division of banking under said sections, shall for each such offense be fined not more than \$500 or imprisoned not more than 6 months, or both.

History: 1995 a. 27.

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increase is for the next fiscal year only or if it will apply on an ongoing basis. With regard to a referendum relating to the 2005 levy, or any levy in an odd-numbered year thereafter, the political subdivision may call a special referendum for the purpose of submitting the resolution to the electors of the political subdivision for approval or rejection. With regard to a referendum relating to the 2006 levy, or any levy in an even-numbered year thereafter, the referendum shall be held at the next succeeding spring primary or election or September primary or general election.

(b) The clerk of the political subdivision shall publish type A, B, C, D, and E notices of the referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of failure to comply with the notice requirements of this paragraph.

(c) The referendum shall be held in accordance with chs. 5 to 12. The political subdivision shall provide the election officials with all necessary election supplies. The form of the ballot shall correspond substantially with the standard form for referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1) (a). The question shall be submitted as follows: "Under state law, the increase in the levy of the (name of political subdivision) for the tax to be imposed for the next fiscal year, (year), is limited to%, which results in a levy of \$.... Shall the (name of political subdivision) be allowed to exceed this limit and increase the levy for the next fiscal year, (year), by a total of%, which results in a levy of \$....?"

(d) Within 14 days after the referendum, the clerk of the political subdivision shall certify the results of the referendum to the department of revenue. The levy increase limit otherwise applicable to the political subdivision under this section is increased in the next fiscal year by the percentage approved by a majority of those voting on the question. If the resolution specifies that the increase is for one year only, the amount of the increase shall be subtracted from the base used to calculate the limit for the 2nd succeeding fiscal year.

(5) EXCEPTION, CERTAIN TOWNS. A town with a population of less than 2,000 may exceed the levy increase limit otherwise applicable under this section to the town if the town board adopts a resolution supporting an increase and places the question on the agenda of an annual town meeting or a special town meeting and if the annual or special town meeting adopts a resolution endorsing the town board's resolution. The limit otherwise applicable to the town under this section is increased in the next fiscal year by the percentage approved by a majority of those voting on the question. Within 14 days after the adoption of the resolution, the town clerk shall certify the results of the vote to the department of revenue.

(6) PENALTIES. Except as provided in sub. (6m), if the department of revenue determines that a political subdivision has a penalized excess in any year, the department of revenue shall do all of the following:

(a) Reduce the amount of county and municipal aid payments to the political subdivision under s. 79.035 in the following year by an amount equal to the amount of the penalized excess.

(b) Ensure that the amount of any reductions in county and municipal aid payments under par. (a) lapses to the general fund.

(c) Ensure that the amount of the penalized excess is not included in determining the limit described under sub. (2) for the political subdivision for the following year.

(d) Ensure that, if a political subdivision's penalized excess exceeds the amount of aid payment that may be reduced under par. (a), the excess amount is subtracted from the aid payments under par. (a) in the following years until the total amount of penalized excess is subtracted from the aid payments.

(6m) MISTAKES IN LEVIES. The department of revenue may issue a finding that a political subdivision is not liable for a penalty that would otherwise be imposed under sub. (6) if the department determines that the political subdivision's penalized excess is caused by one of the following clerical errors:

(a) The department, through mistake or inadvertence, has assessed to any county or taxation district, in the current year or in the previous year, a greater or less valuation for any year than should have been assessed, causing the political subdivision's levy to be erroneous in a way that directly causes a penalized excess.

(b) A taxation district clerk or a county clerk, through mistake or inadvertence in preparing or delivering the tax roll, causes a political subdivision's levy to be erroneous in a way that directly causes a penalized excess.

(7) SUNSET. This section does not apply to a political subdivision's levy that is imposed after December 2010.

History: 2005 a. 25, 484; 2007 a. 20, 115, 129; 2009 a. 28.

66.0603 Investments. (1g) DEFINITION. (a) In this section, "governing board" has the meaning given under s. 34.01 (1) but does not include a local cultural arts district board created under subch. V of ch. 229.

(1m) INVESTMENTS. (a) A county, city, village, town, school district, drainage district, technical college district or other governing board, other than a local professional football stadium district board created under subch. IV of ch. 229, may invest any of its funds not immediately needed in any of the following:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state if the time deposits mature in not more than 3 years.

2. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.

3. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of this state.

3m. Bonds issued by a local exposition district under subch. II of ch. 229.

3p. Bonds issued by a local professional baseball park district created under subch. III of ch. 229.

3q. Bonds issued by a local professional football stadium district created under subch. IV of ch. 229.

3s. Bonds issued by the University of Wisconsin Hospitals and Clinics Authority.

3t. Bonds issued by a local cultural arts district under subch. V of ch. 229.

3u. Bonds issued by the Wisconsin Aerospace Authority.

4. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.

5. Securities of an open-end management investment company or investment trust, if the investment company or investment trust does not charge a sales load, if the investment company or investment trust is registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio of the investment company or investment trust is limited to the following:

a. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government.

b. Bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government.

c. Repurchase agreements that are fully collateralized by bonds or securities under subd. 5. a. or b.

(b) 1. A town, city, or village may invest surplus funds in any bonds or securities issued under the authority of the municipality, whether the bonds or securities create a general municipality liability or a liability of the property owners of the municipality for special improvements, and may sell or hypothecate the bonds or securities. Funds of an employer, as defined by s. 40.02 (28), in a deferred compensation plan may also be invested and reinvested in the same manner authorized for investments under s. 881.01.

2. Funds of any school district operating under ch. 119, held in trust for pension plans intended to qualify under section 401 (a) of the Internal Revenue Code, other than funds held in the public employee trust fund, may be invested and reinvested in the same manner as is authorized for investments under s. 881.01.

3. A school district may invest and reinvest funds that are held in trust, other than funds held in the public employee trust fund, solely to provide any of the following benefits, in the same manner as is authorized for investments under s. 881.01:

a. Post-employment health care benefits provided either separately or through a defined benefit pension plan.

b. Other post-employment benefits provided separately from a defined benefit pension plan.

4. A school board may not discuss or vote on establishing a trust fund to provide the benefits described in subd. 3. unless the notice of the school board meeting at which the discussion or vote may occur includes the issue as a separate agenda item.

5. A city, village, town, county, drainage district, technical college district, or other governing board as defined by s. 34.01 (1) may invest and reinvest funds that are held in trust, other than funds held in the public employee trust fund, solely to provide any of the following benefits, in the same manner as is authorized for investments under s. 881.01:

a. Post-employment health care benefits provided either separately or through a defined benefit pension plan.

b. Other post-employment benefits provided separately from a defined benefit pension plan.

6. Funds that are held in trust to provide the benefits described in subds. 3. and 5. shall be held in a trust fund that is separate from all other trust funds created by, or under the control of, the local governmental unit.

(c) A local government, as defined under s. 25.50 (1) (d), may invest surplus funds in the local government pooled-investment fund. Cemetery care funds, including gifts where the principal is to be kept intact, may also be invested under ch. 881.

(d) A county, city, village, town, school district, drainage district, technical college district or other governing board as defined by s. 34.01 (1) may engage in financial transactions in which a public depository, as defined in s. 34.01 (5), agrees to repay funds advanced to it by the local government plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.

(e) Subject to s. 67.11 (2) with respect to funds on deposit in a debt service fund for general obligation promissory notes issued under s. 67.12 (12), a county having a population of 500,000 or more, or a person to whom the county has delegated investment authority under sub. (5), may invest and reinvest in the same manner as is authorized for investments and reinvestments under s. 881.01, any of the following:

1. Moneys held in any stabilization fund established under s. 59.87 (3).

2. Moneys held in a fund or account, including any reserve fund, created in connection with the issuance of appropriation bonds under s. 59.85 or general obligation promissory notes under s. 67.12 (12) issued to provide funds for the payment of all or a part of the county's unfunded prior service liability.

3. Moneys appropriated or held by the county to pay debt service on appropriation bonds or general obligation promissory notes under s. 67.12 (12).

4. Moneys constituting proceeds of appropriation bonds or general obligation promissory notes described in subd. 2. that are available for investment until they are spent.

5. Moneys held in an employee retirement system of the county.

(f) Subject to s. 67.11 (2) with respect to funds on deposit in a debt service fund for general obligation promissory notes issued under s. 67.12 (12), a 1st class city, or a person to whom the city has delegated investment authority under sub. (5), may invest and reinvest in the same manner as is authorized for investments and reinvestments under s. 881.01, any of the following:

1. Moneys held in any stabilization fund established under s. 62.622 (3).

2. Moneys held in a fund or account, including any reserve fund, created in connection with the issuance of appropriation bonds under s. 62.62 or general obligation promissory notes under s. 67.12 (12) issued to provide funds for the payment of all or a part of the city's unfunded prior service liability.

3. Moneys appropriated or held by the city to pay debt service on appropriation bonds or general obligation promissory notes under s. 67.12 (12).

4. Moneys constituting proceeds of appropriation bonds or general obligation promissory notes described in subd. 2. that are available for investment until they are spent.

5. Moneys held in an employee retirement system of the city.

(2) DELEGATION OF INVESTMENT AUTHORITY. A county, city, village, town, school district, drainage district, technical college district or other governing board, as defined in s. 34.01 (1), may delegate the investment authority over any of its funds not immediately needed to a state or national bank, or trust company, which is authorized to transact business in this state if all of the following conditions are met:

(a) The institution is authorized to exercise trust powers under s. 221.0316 or ch. 223.

(b) The governing board renews annually the investment agreement under which it delegates its investment authority, and reviews annually the performance of the institution with which its funds are invested.

(3) ADDITIONAL DELEGATION OF INVESTMENT AUTHORITY. (a) In addition to the authority granted under sub. (2), a school district operating under ch. 119 may delegate the investment authority over any of its funds not immediately needed and held in trust for its qualified pension plans to an investment manager who meets the requirements and qualifications specified in the trust's investment policy and who is registered as an investment adviser under the Investment Advisers Act of 1940, 15 USC 80b-3.

(b) In addition to the authority granted under sub. (2), a school district may delegate the investment authority over the funds described under sub. (1m) (b) 3. to an investment manager who meets the requirements and qualifications specified in the trust's investment policy and who is registered as an investment adviser under 15 USC 80b-3.

(c) 1. In addition to the authority granted under sub. (2), a city, village, town, county, drainage district, technical college district, or other governing board as defined by s. 34.01 (1) may delegate the investment authority over the funds described under sub. (1m) (b) 5. to an investment manager who meets the requirements and qualifications specified in the trust's investment policy and who is registered as an investment adviser under 15 USC 80b-3.

2. If a unit of government described under subd. 1. has established a trust described in sub. (1m) (b) 5., it shall annually publish a written report that states the amount in the trust, the investment return earned by the trust since the last report was published, the total disbursements made from the trust since the last report was published, and the name of the investment manager if investment authority has been delegated under subd. 1.

(4) INVESTED FUND PROCEEDS IN POPULOUS CITIES, USE. In a 1st class city, all interest derived from invested funds held by the city

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treasurer in a custodial capacity on behalf of any political entity, except for pension funds, is general revenue of the city and shall revert to the city's general fund upon the approval by the political entity evidenced by a resolution adopted for that purpose.

(5) DELEGATION OF INVESTMENT AUTHORITY IN CONNECTION WITH PENSION FINANCING IN POPULOUS CITIES AND COUNTIES. The governing body of a county having a population of 500,000 or more, or a 1st class city, may delegate investment authority over any of the moneys described in sub. (1m) (e) or (f) to any of the following persons, which shall be responsible for the general administration and proper operation of the county's or city's employee retirement system, subject to the governing body's finding that such person has expertise in the field of investments:

(a) A public board that is organized for such purpose under county or city ordinances.

(b) A trustee, investment advisor, or investment banking or consulting firm.

History: 1999 a. 9 ss. 1607, 1608; 1999 a. 65 ss. 15 to 17; 1999 a. 150 ss. 93, 95, 168; 1999 a. 167 ss. 31, 32; 1999 a. 186 ss. 43, 44; 2001 a. 30; 2003 a. 264; 2005 a. 99, 335; 2007 a. 82, 115; 2009 a. 28.

Cross-reference: See also s. 157.50 (6) as to investment of municipal care funds.

66.0605 Local government audits and reports. Notwithstanding any other statute, the governing body of a county, city, village or town may require or authorize a financial audit of a municipal or county officer, department, board, commission, function or activity financed in whole or part from municipal or county funds, or if any portion of the funds are the funds of the county, city, village or town. The governing body may require submission of periodic financial reports by the officer, department, board, commission, function or activity.

History: 1977 c. 29; 1999 a. 150 s. 97; Stats. 1999 s. 66.0605.

66.0607 Withdrawal or disbursement from local treasury. (1) Except as otherwise provided in subs. (2) to (5) and in s. 66.0608, in a county, city, village, town, or school district, all disbursements from the treasury shall be made by the treasurer upon the written order of the county, city, village, town, or school clerk after proper vouchers have been filed in the office of the clerk. If the statutes provide for payment by the treasurer without an order of the clerk, the clerk shall draw and deliver to the treasurer an order for the payment before or at the time that the payment is required to be made by the treasurer. This section applies to all special and general provisions of the statutes relative to the disbursement of money from the county, city, village, town, or school district treasury except s. 67.10 (2).

(2) Notwithstanding other law, a county having a population of 500,000 or more may, by ordinance, adopt any other method of allowing vouchers, disbursing funds, reconciling outstanding county orders, reconciling depository accounts, examining county orders, and accounting consistent with accepted accounting and auditing practices, if the ordinance prior to its adoption is submitted to the department of revenue, which shall submit its recommendations on the proposed ordinance to the county board of supervisors.

(3) Except as provided in subs. (2), (3m) and (5), disbursements of county, city, village, town or school district funds from demand deposits shall be by draft or order check and withdrawals from savings or time deposits shall be by written transfer order. Written transfer orders may be executed only for the purpose of transferring deposits to an authorized deposit of the public depository in the same or another authorized public depository. The transfer shall be made directly by the public depository from which the withdrawal is made. No draft or order check issued under this subsection may be released to the payee, nor is the draft or order check valid, unless signed by the clerk and treasurer. No transfer order is valid unless signed by the clerk and the treasurer. Unless otherwise directed by ordinance or resolution adopted by the governing body, a certified copy of which shall be filed with each public depository concerned, the chairperson of the county board,

mayor, village president, town chairperson or school district president shall countersign all drafts or order checks and all transfer orders. The governing body may also, by ordinance or resolution, authorize additional signatures. In lieu of the personal signatures of the clerk and treasurer and any other required signature, the facsimile signature adopted by the person and approved by the governing body may be affixed to the draft, order check or transfer order. The use of a facsimile signature does not relieve an official from any liability to which the official is otherwise subject, including the unauthorized use of the facsimile signature. A public depository is fully warranted and protected in making payment on any draft or order check or transferring pursuant to a transfer order bearing a facsimile signature affixed as provided by this subsection notwithstanding that the facsimile signature may have been affixed without the authority of the designated persons.

(3m) A county, city, village, town or school district may process periodic payments through the use of money transfer techniques, including direct deposit, electronic funds transfer and automated clearinghouse methods. The county, municipal or school district treasurer shall keep a record of the date, payee and amount of each disbursement made by a money transfer technique.

(4) Except as provided in sub. (3m), if a board, commission or committee of a county, city, village, town or school district is vested by statute with exclusive control and management of a fund, including the audit and approval of payments from the fund, independently of the governing body, payments under this section shall be made by drafts or order checks issued by the county, city, village, town or school clerk upon the filing with the clerk of certified bills, vouchers or schedules signed by the proper officers of the board, commission or committee, giving the name of the claimant or payee, and the amount and nature of each payment.

(5) In a 1st class city, municipal disbursements of public moneys shall be by draft, order, check, order check or as provided under sub. (3m). Checks or drafts shall be signed by the treasurer and countersigned by the comptroller. Orders shall be signed by the mayor and clerk and countersigned by the comptroller, as provided in the charter of the city. Disbursements of school moneys shall be as provided by s. 119.50.

(6) Withdrawal or disbursement of moneys deposited in a public depository as defined in s. 34.01 (5) by a treasurer as defined in s. 34.01 (7), other than the elected, appointed or acting official treasurer of a county, city, village, town or school district, shall be by endorsement, written order, draft, share draft, check or other draft signed by the person or persons designated by written authorization of the governing board as defined in s. 34.01 (1). The authorization shall conform to any statute covering the disbursement of the funds. A public depository is fully warranted and protected in making payment in accordance with the latest authorization filed with it.

(7) No order may be issued by a county, city, village, town, special purpose district, school district, cooperative education service agency or technical college district clerk in excess of funds available or appropriated for the purposes for which the order is drawn, unless authorized by a resolution adopted by the affirmative vote of two-thirds of the entire membership of the governing body.

History: 1971 c. 154; 1971 c. 211 s. 124; 1977 c. 142, 225; 1979 c. 318; 1981 c. 20; 1983 a. 145; 1983 a. 189 s. 329 (21); 1983 a. 192 s. 303 (2); 1983 a. 368, 538; 1985 a. 91, 225; 1989 a. 56 s. 258; 1993 a. 399; 1999 a. 150 s. 109; Stats. 1999 s. 66.0607; 2001 a. 16.

66.0608 Separate accounts for municipal fire, emergency medical technician, and first responder volunteer funds. (1) DEFINITIONS. In this section:

(a) "Emergency medical technician" has the meaning given in s. 256.01 (5).

(b) "Emergency medical technician volunteer funds" means funds of a municipality that are raised by employees of the municipality's emergency medical technician department, by volunteers,

been fixed by the State Public Records Board pursuant to § 16.61(3)(e), Wis. Stats. and then after such a shorter period:

1. Assessment rolls and related records, including Board of Review minutes.
 2. Contracts and papers relating thereto.
 3. Correspondence and communications.
 4. Financial reports other than annual financial reports.
 5. Insurance policies.
 6. Oaths of office.
 7. Reports of boards, commissions, committees and officials duplicated in the Council minutes.
 8. Petitions.
 9. Election notices.
 10. Canceled registration cards.
- (d) Unless notice is waived by the State Historical Society, at least 60 days' notice shall be given the State Historical Society prior to the destruction of any record as provided by § 19.21(4)(a), Wis. Stats.
- (e) Any tape recordings of a governmental meeting of the City may be destroyed, erased or reused no sooner than 90 days after the minutes of the meeting have been approved and published, if the purpose of the recording was to make minutes of the meeting. (Note: Only Council minutes are required to be published.)

(8) *Preservation through microfilm.* Any City officer or the director of any department or division of City government may, subject to the approval of the City Council, keep and preserve public records in his or her possession by means of microfilm or other photographic reproduction method. Such records shall meet the standards for photographic reproduction set forth in § 16.61(7)(a) and (b), Wis. Stats., and shall be considered original records for all purposes. Such records shall be preserved along with other files of the department or division and shall be open to public inspection and copying according to the provisions of State law and of subs. (4) through (6) of this section.

3.08 Treasurer's Duplicate Bond. (Am. #373)

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

(2) *City liable for default of treasurer.* Pursuant to § 70.67(2), Wis. Stats., the City shall pay, if the Treasurer fails to do so, all State and County taxes required by law to be paid by such Treasurer to the County Treasurer.

3.09 Temporary Investment of Funds not Immediately Needed. (Am. #373)

The Treasurer may invest any City funds not immediately needed, pursuant to § 66.04(2), Wis. Stats.

3.10 Special Assessments. (Cr. #126)

(1) *Payment in installments.*

(a) Whenever any special assessments shall be levied to defray the cost of any public improvement, such special assessments may be paid in annual installments of not more than 10 in number as determined by the City Council.

(b) The first installment shall include a proportionate part of the principal of the special assessment determined by the number of installments, together with interest at the rate determined by the City Council. Such interest rate shall be computed for a period of one year from the date of the notice hereinafter provided for, and each subsequent installment shall include a like proportion of the principal and one year's interest upon the unpaid portion of such assessment.

(c) The first installment shall be entered in the first tax roll prepared after the installments shall have been determined as a special tax on the property upon which the special assessment was levied, and thereafter this tax shall be treated in all respects as any other City tax. One of the subsequent installments shall be entered in a like manner and with like effect in each of the annual tax rolls thereafter until all are levied.

RESOLUTION 2010-03

RESOLUTION DESIGNATING PUBLIC DEPOSITORIES AND AUTHORIZING WITHDRAWAL OF CITY OF DELAFIELD MONEYS

RESOLVED, that Waukesha State Bank, Town Bank, M&I Bank, Chase Bank, US Bank, Landmark Credit Union, Bank Mutual, Foundations Bank, Wells Fargo Bank, Equitable Bank, Bankers' Bank, Farmers & Merchants Union Bank, Investors Bank, Johnson Bank, Spring Bank, and State of Wisconsin State Investment Pool qualify as public depositories under Ch. 34, Wis. Stats., are hereby designated as depositories in which the funds of this Municipality may from time to time be deposited; that the following described account(s) be opened and maintained in the name of this Municipality with the Bank subject to the rules and regulations of the Bank from time to time in effect; that the person(s) and the number thereof designated by title opposite the following designation of account(s) is hereby authorized, for and on behalf of this Municipality, to sign order checks as provided in §66.042, Wis.Stats, for payment or withdrawal of money from said account(s) and to issue instructions regarding the same and to endorse for deposit, negotiation, collection or discount by Bank any and all checks, drafts, notes, bills, certificates of deposit or other instruments or orders for the payment of money owned or held by said Municipality, that the endorsement for deposit may be in writing, by stamp, or otherwise, with or without designation of signature of the person so endorsing and that any officer, agent or employee of this Municipality is hereby authorized to make oral or written requests of the Bank for the transfer of funds or money between accounts maintained by this Municipality at the bank.

Two signatures are required on all accounts.

Countersigned by:

Ed McAleer, Mayor

Council President

Countersigned by:

Gina C. Gresch, MMC/WCPC
City of Delafield Clerk-Treasurer

Ellen M. O'Brien, CMC
City of Delafield Deputy Clerk-Treasurer

This is to certify that the foregoing is a true and correct copy of resolution duly and legally adopted by the governing body of the City of Delafield at an open legal meeting held on April 20, 2010 and said resolutions are now in full force and effect.

Signed this 20th day of April, 2010.

CITY OF DELAFIELD

Gina C. Gresch, MMC/WCPC
City of Delafield Clerk-Treasurer

The undersigned member of the governing body not authorized to sign order checks certified that the foregoing is a correct copy of a Resolution passed as therein set forth.

_____, Alderperson District _____

INTERNAL CONTROLS

The City of Delafield uses FundBalance as its accounting software. There are controls within the system that do not allow for changes to amounts posted to the ledger.

FundBalance applications being used by the City are: General Ledger, Cash Receipts, Accounts Payable, Accounts Receivable, Payroll, Utility Billing, Capital Assets, GASB 34 Reports, and Job Tracking.

- Cash Receipts – Utility Clerk receipts the money and makes the bank deposits on a daily basis, unless revenues received that day are less than \$500. Cash Receipts are updated into the General Ledger and Utility Billing Programs of FundBalance. Deposits are taken to the bank by the Police Department Procedure in place for accountability of deposit at all times. Cash drawer is balanced daily, locked when not in use, and Utility Clerk, Accountant, and City Clerk-Treasurer have keys.
- Accounts Receivable – Utility Clerk bills all invoices bi-monthly. Utility Clerk posts all invoices, payments, and credit memorandums to Fund Balance Accounts Receivable module. Accountant updates to the General Ledger and produces aging report at month end. Accountant reconciles general ledger for accounts receivable monthly.
- Utility Billing – Utility Clerk bills and receipts all utility bills. Department of Public Works does the meter reading. Meter readings are forwarded to Del-Hart for their review. Once the customer is set up in the system, a bill is generated quarterly. Accountant reviews the ledger quarterly and the utility billing receivables monthly for unpaid water customers. Accountant updates to the General Ledger and reconciles Utility Billing quarterly.
- Accounts Payable – Department heads (or assignees) approve the bills for their respective department. The City only pays from the invoice and charge cards with required documentation. Accountant reviews the Accounts Payable invoices and determines the amount that should be billed to the customers. Accountant codes the bills for the Administration Department and reviews the bills for proper documentation from the other departments. Deputy Clerk-Treasurer enters into Accounts Payable. Common Council approves invoices before payment is made on all invoices except those dealing with payroll issues (i.e. health insurance, retirement payments, etc.). Payroll taxes are paid with wire transfers. Accounts Payable updates to the General Ledger, and all departments are provided regular print-outs of their expenditures. We are currently offering this electronically. Accountant balances the general bank account.
- Payroll – Deputy Clerk-Treasurer is the payroll clerk. Timesheets are submitted and approved by the department head (or assignee). Pay rates are provided yearly or on an as needed basis to the Deputy Clerk-Treasurer. Payroll is run every two weeks. Money is transferred to the payroll checking account by the Deputy Clerk-Treasurer to cover the amount of the checks. Money is wired to pay the

payroll taxes. All reports are filed by the Deputy Clerk-Treasurer. Payroll updates to the General Ledger and is part of the expenditure reports provided to department heads. Accountant reviews the wire transfer for taxes and balances the payroll bank account. Clerk-Treasurer reviews Payroll History Report for current employee listing at every pay period. City Accountant and Clerk-Treasurer review and approve all wire transfers.

- General Ledger – Accountant appends General Journal, Cash Receipts, Accounts Payable, Accounts Receivable, Payroll, and Utility Billing to the General Ledger and verifies that reports match the General Ledger. Prepares and posts the journal entries for supplies, wire transfers (payroll, taxes, and debt service payments) and ambulance billing deposits.
- Fixed Assets – Accountant works with the departments to account for all additions and deletions to our fixed assets. We have implemented a policy to define a fixed asset. Information is also verified though items posted to the General Ledger Capital Fund and sale of equipment.
- GASB 34 Reporter – Implemented in 2005 by Accountant and City Clerk-Treasurer. Accountant works with auditor to produce GASB reports for inclusion with the audit report at year end.
- Job Tracking – Accountant tracks capital projects. Interfaces with General Ledger by adding Job Tracking job number manually to journal entries. (Implemented in 2009.)

The Accountant has been trained on all FundBalance software, but access to Payroll is limited. The Clerk-Treasurer is the backup to the Deputy Clerk-Treasurer on Payroll and General Ledger. The City's auditor is authorized to back up the Accountant's duties, if necessary. Therefore, if an employee is absent for any reason, the City would carry on business as usual. Transfers to and from the investments can only be done by the Deputy Clerk-Treasurer and (in her absence) by the Clerk-Treasurer, after verification of transaction by Accountant.