

**SHEBOYGAN COUNTY RESOLUTION NO. 17 (2013/14)**

**Re: Approving Borrowing in Excess of Budget Control Policy**

**WHEREAS**, the Finance Committee is presenting a 2014 County budget that contemplates new capital project expenditures in the amount of \$5,733,976 to be financed through the issuance of general obligation bonds pursuant to Wis. Stat. § 67.05, and

**WHEREAS**, under the proposed 5 Year Capital Plan, the Finance Committee expects that in 2015, there will need to be capital project expenditures in the amount of \$8,840,718 to be financed through the issuance of general obligation bonds, and

**WHEREAS**, by the enactment of Section 5.07(b) of the County Code, the County Board expressed a policy whereby the County would not adopt any new County budget which provided for borrowing in excess of \$4,000,000.00 per year or \$8,000,000 for a two year period for capital projects through the issuance of general obligation bonds pursuant to Wis. Stat. § 67.05 unless the County Board, by 2/3 vote, adopted a separate Resolution approving the excess borrowing, and

**WHEREAS**, under ordinary circumstances, the County has been borrowing in two year increments and based on this cycle and the requirements of Section 5.07(b), the County budget would normally provide for no borrowing in 2014 and borrowing up to \$8,000,000 in 2015, and

**WHEREAS**, it is necessary to proceed with an unprecedented amount of capital project spending at this time because of the impending obsolescence of the County's emergency radio system and the upcoming construction of the Combined Dispatch Center, both of which will have long-term consequences for the County and its residents and have been well vetted and strongly supported by the County Board in the 5-Year Capital Plan process and, therefore, the proposed 2014 budget proposes 2014 borrowing of up to \$14,575,000 for the 2014 and 2015 capital projects with no additional borrowing in the 2015 budget, and

**WHEREAS**, the excess borrowing beyond \$8,000,000.00 as provided for in this budget and as anticipated in next year's budget is particularly appropriate in that the County Board is able to take advantage of and lock in the historically low interest rates that are currently available, and

**WHEREAS**, given the historically low interest rates as currently available, the future expense of servicing this additional borrowing is not significantly greater than the expense of servicing \$4,000,000.00 per year in borrowing at the interest rates in place in 2001 when the Board enacted Section 5.07 of the County Code.

**NOW, THEREFORE, BE IT RESOLVED** that the Board acknowledges that the capital borrowing contained in the proposed 2014 budget exceeds the Section 5.07 expenditure limit of

\$4,000,000.00 per year or \$8,000,000 for two (2) years, but believes that such borrowing is in the best interest of the County, and authorizes its inclusion in the 2014 budget.

Respectfully submitted this 22nd day of October, 2013.

**FINANCE COMMITTEE**

*William C. Goehring*

William C. Goehring, Chairperson

Gregory Weggeman, Vice-Chairperson

*Thomas Wegner*

Thomas Wegner, Secretary

*Devin LeMahieu*

Devin LeMahieu

George Marthenze

Opposed to Introduction:

*George Marthenze*

ADOPTED 11.05.2013