

SHEBOYGAN COUNTY RESOLUTION NO. 16 (2017/18)

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

WHEREAS, the Finance Committee is presenting a 2018 County budget that contemplates new capital project expenditures in the amount of \$14,114,053 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 2018 there will need to be capital project expenditures in the amount of \$7,180,000 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 \$5.5 Million per year or \$11 Million 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 2018 County budget would provide for up to \$5.5 Million in borrowing, and

WHEREAS, the construction of the County's new Transportation Department Complex as anticipated in the County's Five-year Capital Plan process with completion in the 2018 budget year has required the County to exceed borrowing in excess of the policy in 2017 as authorized by the adoption of Resolution No. 27 (2016/17) and will require the Board to adopt this similar Resolution for 2018, and

WHEREAS, the excess borrowing beyond \$5.5 Million as provided for in this budget particularly appropriate at this time 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 \$5.5 Million per year in borrowing at the interest rates in place in 2001 when the Board initially 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 2018 budget exceeds the Section 5.07 expenditure limit of

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\$5.5 Million per year or \$11 Million for two (2) years, but believes that such borrowing is in the best interest of the County, and authorizes its inclusion in the 2018 budget.

Respectfully submitted this 7th day of November, 2017.

FINANCE COMMITTEE

Gregory Weggeman, Chairperson

George Marthenze
George Marthenze, Vice-Chairperson

Mark S. Winkel
Mark S. Winkel, Secretary

William C. Goehring
William C. Goehring

Roger Te Stroete
Roger Te Stroete

Opposed to Introduction:

Adopted 11.7.17