

**City of Amery**  
**COMMITTEE OF THE WHOLE AGENDA**

Pursuant to Wisconsin Statutes 19.84, Notice is hereby given to the public that a meeting of the **Committee of the Whole** of the City of Amery will be held on **Tuesday – March 24, 2026 at 5pm at 104 Maple St. W, Amery, WI in the Council Chambers.**

Call to Order

Roll Call

Adoption of Agenda



Order of Items	AGENDA ITEMS
1	Zoning Code Rewrite Project Update
2	S&P Bond Rating Update
3	Financial Policy Discussion and Review
4	<b>Adjournment</b>

\*Although the public may speak on any item that is not included on this agenda as a “Public Hearing or Forum”. In accordance with open meeting laws, the Council may not respond or discuss the issue brought forward at this time. In accordance with open meeting laws the Council must notice an item on the agenda to allow discussion on that matter. Your comments will be considered and may be placed on a future agenda for further discussion. Any person wishing to submit a public comment digitally may email them to [Cityhall@amerywi.gov](mailto:Cityhall@amerywi.gov) until noon of the day of the meeting. Although your comments will be presented to the Council they may or may not be read aloud or discussed during the meeting. The Public Comment Portion will be limited to 3 minutes total per speaker with the total duration to be at the Chair’s discretion. The council may act on any item that is noticed on the agenda.

Taylor Larson  
Clerk/Treasurer

**\*\*Posted: March 19, 2026 on the City Website ([www.amerywi.gov](http://www.amerywi.gov)); and at Amery City Hall, Amery Public Library, and the Amery Police Department.**

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NOTE: Upon reasonable notice, the City of Amery will accommodate the needs of disabled individuals through aids or services. For additional information or to request this service, contact the Clerk-Treasurer’s office at (715) 268-7486 by Noon the previous day so that arrangements can be made.

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**To:** City of Amery City Council  
**CC:** Alex Mansfield, City Administrator  
Taylor Larson, Clerk/Treasurer  
**From:** MSA Professional Services  
**Subject:** **Zoning Code Diagnostic Memo**  
**Date:** March 19, 2026

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### Summary

Amery’s current zoning code (Chapter 450) contains 17 Articles and 134 subsections, resulting in a document that is lengthy, repetitive, and difficult for users to navigate. Related rules are spread across multiple Articles, requiring readers to move back and forth between sections and increasing the likelihood that important requirements will be missed. For example, answering a seemingly simple question such as “Can I build a duplex with a detached garage?” requires consulting seven different Articles.

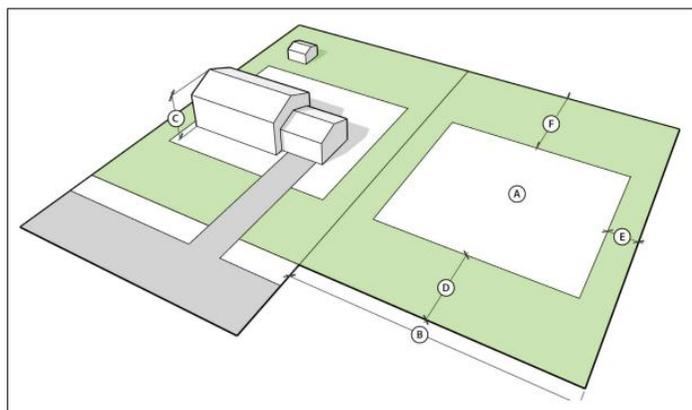
A more user-friendly zoning code should be organized around the core questions people need answered:

1. What can I build?
2. Where can I build it?
3. How large or tall can it be?
4. What approvals are required?

To support this structure, information on zoning districts, allowed uses, and development standards should follow directly after the introductory Article. All uses should be consolidated into a single, comprehensive use table that lists every district and whether a use is permitted, conditional, or accessory. Individual district sections can then focus on the district’s purpose and dimensional standards and follow a consistent two-page layout, which includes easy-to-read tables and accompanying annotated diagrams (example shown below).

This reorganization should also include moving Article XI, which covers Accessory Uses and Structures such as fences and trees, into Article III so that all development standards are located together in one place.

Figure 1.3.2.-1.: SFD District Dimensional Standards



Many of the Articles overlap heavily and would benefit from significant consolidation, in order to create a “one stop shop” for all relevant information. See suggested organizational breakdown below:

Existing Zoning Code Layout (Chapter 450)	DRAFT Proposed Layout
ARTICLE I <b>Introduction</b>	Article I <b>Purpose, Authority, and General Rules</b> (Combine Article I, II, and VI)
ARTICLE II <b>General Provisions</b>	Article II <b>Zoning Districts, and Uses</b> (Combine Article III, Article XI and Article XV)
ARTICLE III <b>Zoning Districts</b>	Article III <b>Development Standards</b> (Combine Article VII and IX)
ARTICLE IV <b>Planned Unit Development Conditional Use</b>	Article IV <b>Planned Unit Development</b>
ARTICLE V <b>Conditional Uses</b>	Article V <b>Signs</b>
ARTICLE VI <b>Nonconforming Uses, Structures, and Lots</b>	Article VI <b>Signal-Receiving Antennas: Wind Energy Systems: Wireless Telecommunications Systems</b>
ARTICLE VII <b>Traffic Visibility, Loading, Parking and Access</b>	Article VII <b>Airport Overlay Zoning and Height Limitations</b>
ARTICLE VIII <b>Signs, Canopies, and Awnings</b>	Article VIII <b>Permits, Reviews, and Appeals</b> (Combine Article V and XIV)
ARTICLE IX <b>Performance Standards</b>	Article IX <b>Administration and Enforcement</b>
ARTICLE X <b>Signal-Receiving Antennas; Wind Energy Systems; Wireless Telecommunications Systems</b>	Article X <b>Terminology</b>
ARTICLE XI <b>Accessory Uses and Structures; Fences; Trees</b>	
ARTICLE XII <b>Administration</b>	
ARTICLE XIII <b>Changes and Amendments</b>	
ARTICLE XIV <b>Appeals</b>	
ARTICLE XV <b>Mobile Homes</b>	
ARTICLE XVI <b>Airport Overlay Zoning and Height Limitations</b>	
ARTICLE XVII <b>Terminology</b>	

## Residential Districts

Dimensional standards for each residential zoning district are as follows:

District	Minimum Lot Area	Minimum Width	Minimum Setbacks	Maximum Building Height
R-1 (Single-Family)	10,000 ft <sup>2</sup>	80 feet	Street: 25 feet Rear: 8 feet Side: 8 feet	35 feet
R-2 (Two-Family)	7,600 ft <sup>2</sup> (single family), 3,800 ft <sup>2</sup> per family (two-family)	70 feet		
R-3 (Two-Family Condominium)	7,600 ft <sup>2</sup> (single family), 10,000 ft <sup>2</sup> per family (two-family)	80 feet		
R-4 (Multi-Family)	10,000 ft <sup>2</sup> + 1,500 ft <sup>2</sup> per family over two	100 feet	Street: 25 feet Rear: 25 feet Side: 10 feet	45 feet

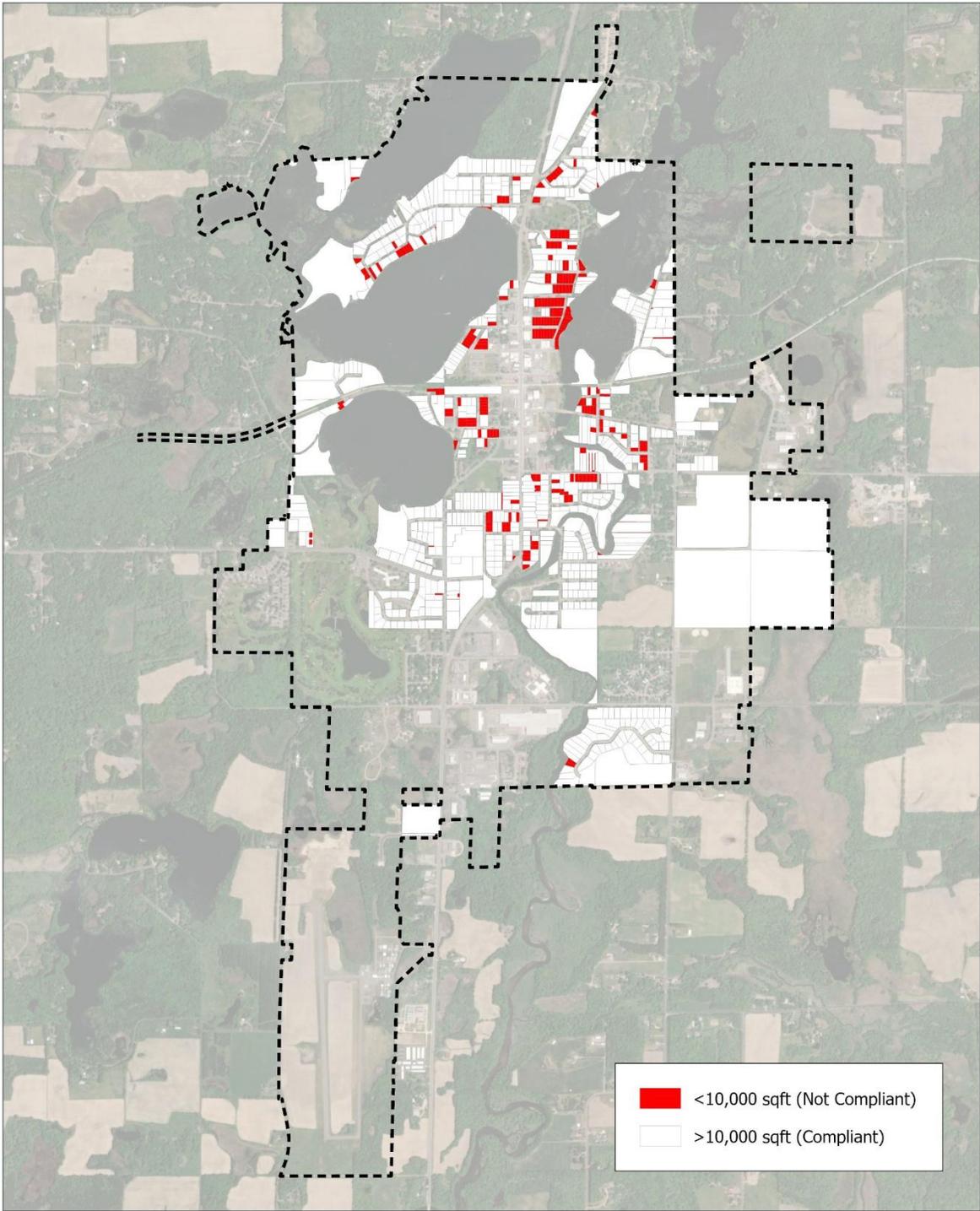
R-1, R-2 and R-3 are mostly identical. All three districts allow single family and manufactured homes, with nearly identical dimensional standards, including those for accessory structures, home occupations, day care, solar, and garages and sheds. The language is repeated almost word-for-word in R-2 and R-3.

Based on the similarities of these fundamental standards, R-1, R-2, and R-3 do not operate as zoning districts but rather as tiers of density (single-family homes, duplexes, and condo duplexes) within the same neighborhood. Since these districts have the same standards for setbacks, structure height, accessory structures, and architectural appearance, the City cannot enable distinct performance and aesthetic standards that normally come from having separate districts.

City staff and the Plan Commission have previously noted that many R-1 parcels do not meet the district's 10,000-square-foot lot size or 80-foot width requirements. This is confirmed by the GIS analysis maps on the following pages: of the R-1 district's 932 total parcels, 266 (28.5%) are smaller than the 10,000 ft<sup>2</sup> minimum and 308 (33%) are narrower than the 80-foot width minimum.

### Preliminary Residential District Recommendations:

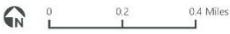
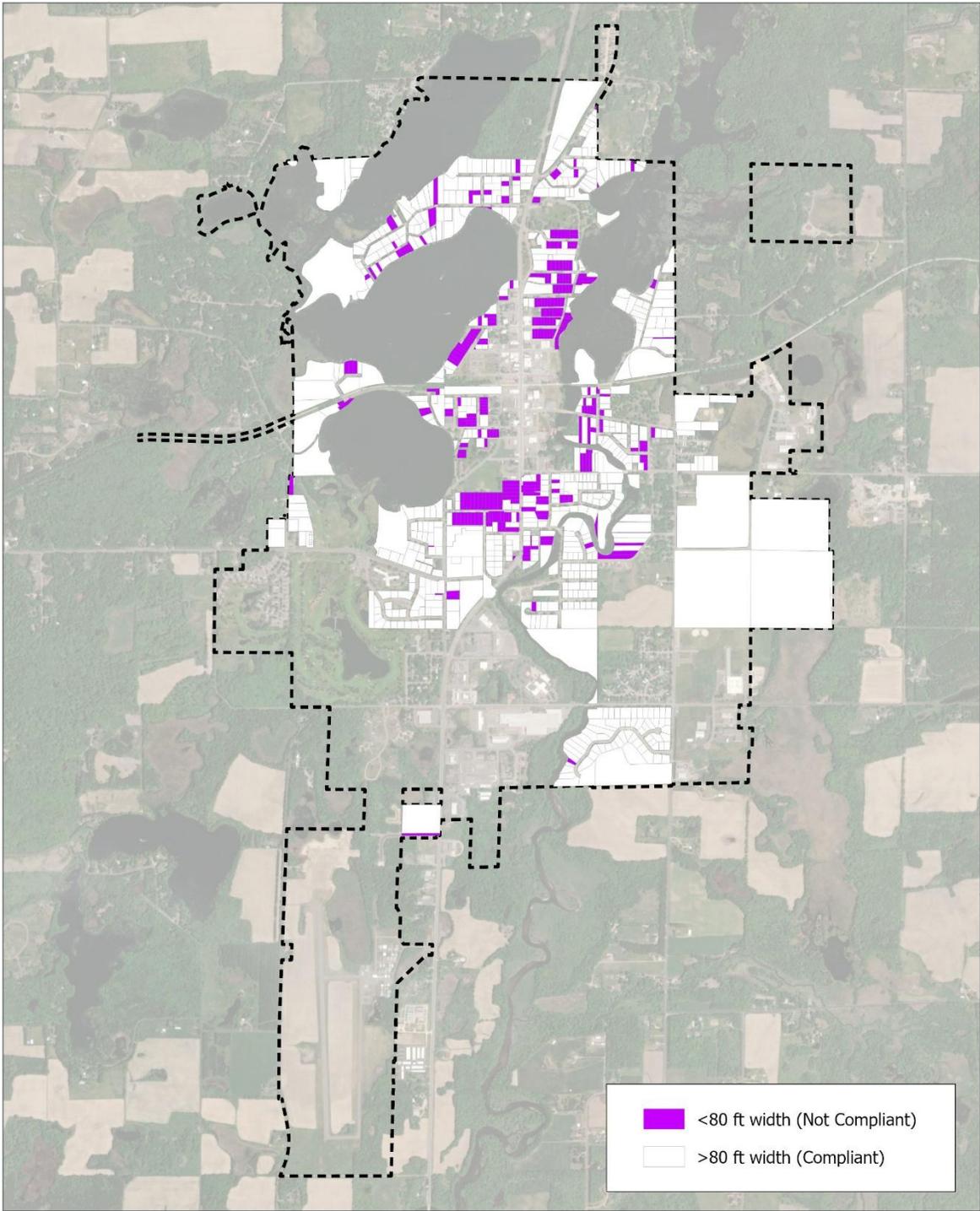
- Consolidate R-1, R-2, and R-3 into two districts and further distinguish their performance standards. A designated Residential Lake/River District could be created, if deemed necessary, to accommodate noncompliant shoreland parcels.
  - One of the resulting districts should be R-L (Low Density Residential) for most single-family detached properties and compatible low impact housing.
- Evaluate the dimensional standards for each district to minimize the number of resulting noncompliant properties. For example, minimum lot sizes and widths should be reduced to "capture" many undersized, currently noncompliant residential properties.



 MSA

 0 0.2 0.4 Miles

**R-1 Parcels - Compliance w/ 10,000 Sqft  
(Current Minimum Lot Size)**



**R-1 Parcels - Compliance w/ 80 Ft Width  
(Current Minimum Lot Width)**

## Commercial Districts

C-1 (Neighborhood Shopping) is not mapped on the City's Zoning Map. According to § 450-22, this district is intended for "small groups of retail and customer service establishments serving primarily the convenience of a local neighborhood". It has some pretty strict size limits and most large uses require a Conditional Use Permit (CUP), which is likely why this district is not utilized. Most small-scale retail is already allowed downtown in the C-2 district; therefore, C-1 is not functional for the City anymore.

Currently, C-2 (Central Business) is functioning as Amery's catch-all commercial district. It covers downtown storefronts, highway-oriented retail, offices, service businesses, auto-related uses, and mixed-use buildings. As a result, the City must regulate all commercial buildings and uses the same way, losing much of the nuance required for the vast range of potential scales and intensities of commercial operations. For example, Amery has a distinct downtown core with continuous storefronts, historic buildings, on-street parking and active sidewalks and pedestrian circulation; it is also regulated by a downtown design standards manual that is currently separate from the zoning code. In contrast, the commercial zone in southern Amery is more auto-oriented, with much larger buildings/parking lots, reduced pedestrian access, and more intensive uses. Splitting the commercial zoning districts between downtown and highway-oriented commercial would allow the City to better reinforce the separate characters of these areas.

### Preliminary Commercial District Recommendations:

- Repurpose Amery's existing two commercial zoning districts into districts that better reflect current conditions: Downtown Mixed-Use and Highway-Oriented Commercial. Evaluate and incorporate development standards for each district that best support business owners moving forward.
  - Since Amery's downtown does include some second-story residential above the storefronts, the downtown-specific district will need to function as a mixed-use district to accommodate all relevant uses. This ensures alignment with the Comprehensive Plan's Future Land Use map, which guides this area for "Downtown Mixed Use."
- Explore ways to incorporate the City's existing downtown design standards manual into the zoning code, so that all relevant development/aesthetic requirements can be found in one place.

## Industrial Districts

The City has two industrial zoning districts, which are both currently utilized in the Zoning Map: I-1 (Light Industrial) and I-2 (Industrial).

In the I-1 district, all allowed uses are permitted by right, including uses from the commercial districts; there are also no dimensional standards such as setbacks and building heights. Manufacturing uses are allowed as long as they do not adversely impact surrounding uses, though this is not well-quantified or enforceable because there are no performance standards.

In the I-2 district, *all* uses require a Conditional Use Permit (CUP) and there are enforceable dimensional standards. While CUPs can be a helpful tool for the City to retain permitting control over intense uses, the passage of 2017 Wisconsin Act 67 has made this harder by imposing stricter standards for CUP review and action (i.e. decisions must be supported by substantial evidence and all conditions must be reasonable/measurable). To streamline approval processes, the City may wish to reduce reliance on CUPs in this district and instead adopt stronger, more specific performance standards that achieve similar outcomes.

Preliminary Commercial District Recommendations:

- Evaluate the current function of Amery’s existing industrial districts, and determine if there is still a need for two separate districts or if consolidation into one district would be beneficial.
  - If the City wishes to keep both districts (to continue separating light and heavy manufacturing uses), both districts should be rewritten to incorporate more specific, relevant performance standards and permitting processes.

**Zoning Districts Recommendation**

<b>Existing Zoning District</b>	<b>Recommended New Districts</b>
AT: Agricultural Transition	Downtown Core or Downtown Mixed Use
C-1: Neighborhood Shopping	Commercial
C-2: Central Business	Institutional
CD-1: Conservancy	Industrial
I-1: Light Industrial	Conservancy
I-2: Standard Industrial	Low Density Residential
R-1: Single- Family Residential	Medium Density Residential
R-2: Two- Family Residential	High Density Residential
R-3: Two-Family Condominium	
R-4: Multiple-Family Residential	

March 10, 2026

City of Amery  
118 Center Street West  
Amery, WI 54001  
Attention: Taylor Larson, Clerk/Treasurer

Re: ***Amery General Obligation Refunding Bonds, Wisconsin***

Dear Taylor Larson

S&P Global Ratings has reviewed the rating on the above-listed obligations. Based on our review, we have lowered our credit rating from "A+" to "BBB+" while affirming the stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on [standardandpoors.com](http://standardandpoors.com). Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

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Please send hard copies to:

S&P Global Ratings  
Public Finance Department  
55 Water Street  
New York, NY 10041-0003

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Research Update:

# Amery, WI GO Debt Rating Lowered To 'BBB+' From 'A+' On Material Weakening Of Reserves; Outlook Stable

March 10, 2026

## Overview

- S&P Global Ratings lowered its long-term rating on [Amery, Wis.](#)' general obligation (GO) debt to 'BBB+' from 'A+'.
- The outlook is stable.
- The mult notch downgrade reflects a severe weakening of the city's general fund available reserve position (-0.5% from 64% of general fund revenue over two years) following a sizable advance to a significantly underperforming tax increment district (TID) and the receipt of the fiscal 2024 audit, which provided transparency regarding the city's altered liquidity profile and resulting pressure on the general fund from TID 6's underperformance.
- Preventing a lower rating and supporting the stable outlook is management's plan to eliminate the interfund advance and restore available reserves over the next four years.

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## Rationale

### Security

The city's unlimited-ad valorem property tax pledge secures the GO debt.

### Credit highlights

The lowered rating reflects insufficiency in the TID 6 increment after a recent debt issuance, requiring support from the general fund to cover the obligation and resulting in depletion of available general fund reserves. The district's amended 2021 project plan, including the civic center acquisition, Keller Avenue reconstruction, and South Industrial Park infrastructure improvements, relied on a combination of resources including projected TID 6 increment revenue and scheduled transfers from TID 7 and TID 9. When those transfers were delayed and \$2 million in GO bonds were issued for the South Industrial Park, TID 6's revenues were insufficient to cover its ongoing debt service obligations, resulting in a structural deficit. This imbalance necessitated ongoing general fund support for debt service, ultimately resulting in a sizable interfund advance to TID 6 and a sharp drop in available reserves, with the general fund available balance declining

## Amery, WI GO Debt Rating Lowered To 'BBB+' From 'A+' On Material Weakening Of Reserves; Outlook Stable

to negative \$5,000 in fiscal 2024 from a peak of \$2.3 million (64% of general fund revenue) in fiscal 2022.

In addition, the fiscal 2024 audit reported reclassification of the entire available general fund reserve balance to nonspendable, significantly altering our view of available liquidity. The subsequent reclassification of the interfund advance from short-term to long-term did not create new financial strain but instead formalized the long-term nature of the imbalance. While this treatment reduced reported liquidity, it largely brought transparency to an already diminished reserve position rather than driving the underlying deterioration.

Exacerbating the city's financial pressures were general fund operating imbalances over the past several years, largely driven by structural budgeting issues, including expenditures that were not aligned with actual operating needs, unbudgeted costs (such as police overtime, professional services, and debt service), and capital projects funded through the general fund without adequate planning. While revenues were generally closer to expectations, unrealistic revenue assumptions, outdated fee schedules, and the failure to levy approximately \$350,000 of required debt service in 2021 also contributed to the decline in general fund balance.

In 2024, new management implemented a multiyear plan to eliminate the general fund advance and restore reserves. Transfers from TID 7 and TID 9 resumed in fiscal 2024 and are scheduled annually through fiscal 2029. The advance, approximately \$1.2 million at fiscal year-end 2024, is projected to decline through a combination of improved TID 6 operating revenue and planned transfers of approximately \$200,000 annually from TID 9. Management expects the general fund advance will end by fiscal 2029. We believe execution of the plan is achievable depending upon consistent adherence to the transfer schedule and the absence of competing financial pressures.

Demonstrated structural balance and measurable reserve rebuilding over the next two fiscal years would be key considerations for future rating improvement. Supporting the stable outlook is our view that management has developed a plan to eliminate the interfund advance and restore financial flexibility.

Additional rating factors include:

- A stable, though limited, local economy. The three-square-mile, primarily residential city is located about 60 miles northeast of the Minneapolis–St. Paul metropolitan area. Residential properties account for more than half of equalized value, followed by commercial. Population has grown a steady 7.3% over the past decade, supporting modest tax base expansion. The city also benefits from a notable manufacturing presence, and household incomes are generally in line with national averages. Overall, the economic base provides stability, though its small size remains a credit constraint.
- Recent operating performance pressures, with early signs of stabilization. After posting three consecutive deficits, the new management team has prioritized restoring operational balance, and current projections suggest fiscal 2025 will show positive above-the-line results, although net transfers below the line remain uncertain. The fiscal 2026 budget was adopted as balanced, and early indications suggest management is on track. Sustained budgetary discipline and general fund stability will be critical for rating improvement.
- Management initiatives aimed at enhancing financial flexibility. Management demonstrates awareness of structural constraints, particularly those posed by underperforming TIDs, and has implemented a credible plan to eliminate the interfund balance while targeting a medium-term rebuilding of reserves. Additional initiatives--including capital planning, newly adopted debt management guidelines, and formal reserve policies--provide a clear framework for

prudent financial decision-making. Collectively, these measures strengthen confidence in management's capacity to improve financial flexibility.

- A moderately elevated debt profile. While per capita debt exceeds peer medians and debt service costs are elevated, the city benefits from rapid principal amortization. Pension obligations remain low, reflecting the strength of the Wisconsin Retirement System, consistently among the best-funded state pension systems nationally.
- Strong institutional framework. For more information on the institutional framework for Wisconsin's municipalities, see: "[Institutional Framework Assessment: Wisconsin Local Governments](#)," Sept. 10, 2024.

## **Environmental, social, and governance**

We view governance and risk management, culture, and oversight factors as elevated due to the city's historical willingness to take on aggressive TID-supported debt that outpaced increment growth, followed by a failure to make transfers to support the TID debt, which was not in line with the original plan. Prior management deficiencies have contributed to these factors. These risks have been somewhat mitigated after new management implemented a plan, described above, and demonstrated an understanding of the severity of reserve depletion and the need to restore available fund balance to maintain budgetary flexibility. Also slightly impairing our view of governance is the ambiguity related to its prior handling of the advance and nonspendable classification, so transparency issues have been moderately elevated, but we understand new management is aware of this and taking steps to ensure proper liquidity clarity going forward.

We view environmental and social factors as neutral.

Environmental, social, and governance (ESG) credit factors for this change in credit rating/outlook and/or CreditWatch status

- Governance structure
- Risk management, culture, and oversight

## **Outlook**

The stable outlook reflects management's plan to eliminate the interfund advance and begin restoring available reserves to a level supportive of a higher rating, as well as management's focus on producing balanced-to-positive budgetary results over the two-year outlook horizon.

### **Downside scenario**

We could lower the rating if management is unable to execute its plan to restore available fund balance and nonspendable reserves continue to increase.

### **Upside scenario**

We could raise the rating if the interfund balance shows progress toward elimination in line with management's schedule, and reserves return to levels supportive of higher ratings.

## **Credit Opinion**

Additional operating pressure has resulted from general fund operating imbalances over the past several years, largely driven by structural budgeting issues including expenditures that were not

## Amery, WI GO Debt Rating Lowered To 'BBB+' From 'A+' On Material Weakening Of Reserves; Outlook Stable

aligned with actual operating needs, unbudgeted costs (such as police overtime, professional services, and debt service), and capital projects funded through the general fund without adequate planning. While revenues were generally closer to expectations, unrealistic revenue assumptions, outdated fee schedules, and the failure to levy approximately \$350,000 of required debt service in 2021 also contributed to the decline in general fund balance.

Beginning in fiscal 2025 and continuing into fiscal 2026 and beyond, new management implemented significant budget reforms aimed at restoring structural balance. These include adopting more realistic expenditure assumptions, implementing zero-based budgeting for the fiscal 2026 budget, adding previously unbudgeted operating costs, and carefully reviewing contracts, personnel, and capital spending. Despite incorporating a 5% cost-of-living adjustment for employees, the fiscal 2026 operating budget increased by only 0.65%, positioning the city to qualify for Wisconsin's Expenditure Restraint Program beginning in 2027.

On the revenue side, budgets were recalibrated to reflect historical actuals, unrealistic revenues were removed, fees and charges were increased, and the full property tax levy is now being collected. Conservative growth assumptions are also being applied to utility revenues and intergovernmental aid.

Looking forward, the city's financial strategy focuses on maintaining structurally balanced budgets while rebuilding reserves. Management is prioritizing stricter review of nonbudgeted expenditures, delaying or scaling back capital projects where feasible, completing more work in-house, and marketing city-owned parcels for sale. Together, these measures are intended to gradually rebuild unassigned fund balance toward the city's target of 50% of operating expenditures over the next several years.

### Amery, Wisconsin--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	4.10
Economy	4.5
Financial performance	4
Reserves and liquidity	6
Management	3.00
Debt and liabilities	3.00

### Amery, Wisconsin--key credit metrics

	Most recent	2024	2023	2022
<b>Economy</b>				
Real GDP per capita % of U.S.	53	--	53	54
County PCPI % of U.S.	82	--	82	83
Market value (\$000s)	375,003	367,763	326,147	309,447
Market value per capita (\$)	120,078	117,760	104,702	105,685
Top 10 taxpayers % of taxable value	0.2	--	--	--
County unemployment rate (%)	4.3	4.3	4.1	4.0
Local median household EBI % of U.S.	99	99	100	93
Local per capita EBI % of U.S.	97	97	97	94
Local population	3,123	3,123	3,115	2,928

Amery, Wisconsin--key credit metrics

	Most recent	2024	2023	2022
<b>Financial performance</b>				
Operating fund revenues (\$000s)	--	3,935	3,987	3,681
Operating fund expenditures (\$000s)	--	3,836	4,453	4,556
Net transfers and other adjustments (\$000s)	--	(379)	(318)	(247)
Operating result (\$000s)	--	(280)	(784)	(1,122)
Operating result % of revenues	--	(7.1)	(19.7)	(30.5)
Operating result three-year average %	--	(19.1)	6.6	17.4
<b>Reserves and liquidity</b>				
Available reserves % of operating revenues	--	(0.1)	45.9	63.5
Available reserves (\$000s)	--	(5)	1,831	2,336
<b>Debt and liabilities</b>				
Debt service cost % of revenues	--	19.8	18.4	10.9
Net direct debt per capita (\$)	3,614	2,971	3,178	3,552
Net direct debt (\$000s)	11,286	9,278	9,899	10,400
Direct debt 10-year amortization (%)	81	76	74	--
Pension and OPEB cost % of revenues	--	3.0	3.0	3.0
NPLs per capita (\$)	--	57	52	193
Combined NPLs (\$000s)	--	179	162	565

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

Downgraded

	To	From
<b>Local Government</b>		
Amery, WI Unlimited Tax General Obligation	BBB+/Stable	A+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

## Amery, WI GO Debt Rating Lowered To 'BBB+' From 'A+' On Material Weakening Of Reserves; Outlook Stable

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**TO:** Committee of the Whole

**FROM:** Alex Mansfield, City Administrator

**DATE:** 3/19/2026

**RE:** 2026 Financial Policy Update — Revised and New Policies

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**Summary:** Eight financial policies were presented for the Finance Committee's review. Six are revisions to existing policies, updated to address compliance gaps identified in the City's March 2026 financial policy review. Two are new policies that fill material gaps in the City's policy library. All revisions were driven by changes in Governmental Accounting Standards Board (GASB) pronouncements, GFOA best practice guidance, and an internal review of the City's financial governance framework. No policy changes alter current spending levels or operating procedures in a way that would produce immediate budget impact.

**Revised Policies:**

- **Investment Policy** — The policy has been revised in four areas. First, language was added requiring the Clerk-Treasurer to prepare annual GASB 40-compliant disclosures covering credit risk, interest rate risk, and concentration risk as part of the City's financial statements. Second, GASB 72 language was added requiring investments to be reported at fair value with disclosure of the fair value hierarchy level in quarterly reporting to the Council. Third, the minimum number of qualified institutions solicited for each investment was increased from two to three, aligning the policy with both GFOA guidance and the City's own purchasing policy standard for competitive quotes. Fourth, and importantly, a new Wire Transfer Security Controls section was added establishing mandatory verbal confirmation of any wire instructions received electronically, dual authorization for any change to standing wire instructions, and a requirement that the City maintain a written wire transfer agreement with its lead bank. Wire fraud targeting local governments has increased significantly, and this section addresses that risk directly.
- **Debt Management Policy** — Three GASB updates were incorporated. GASB 87 language was added to require that leases with terms greater than 12 months be recognized as right-of-use assets and corresponding lease liabilities, subject to the same monitoring and disclosure requirements as other long-term debt. GASB 96 language was added to address Subscription-Based IT Arrangements (SBITAs) — cloud software contracts over 12 months — which must also be recorded as long-term liabilities and tracked by the Clerk-Treasurer. GASB 91 language was added to confirm that conduit debt must be disclosed in the notes to the City's financial statements even though it does not represent an obligation of the City. The policy also now specifies that the per capita debt ratio will be calculated using the Wisconsin Department of Administration's official population estimate for year-over-year consistency, and clarifies that the City Attorney should be consulted to confirm applicable statutory notice requirements before each debt issuance. The annual debt summary presented to Council was also expanded to explicitly include GASB 87 and 96 liabilities.
- **Fund Balance Policy** — The revised policy corrects the definition of Capital Project Funds, which in the prior version incorrectly described Permanent Funds (resources held in perpetuity). Under GASB, Capital Project Funds are used for major capital acquisitions. The error has been corrected to avoid misclassification in financial reporting. No changes were made to reserve targets or other



substantive provisions.

- **Gifts & Memorials Policy** — A reference to "City of Edgerton" in the body of the policy — a drafting error carried over from a template at the time of original adoption — has been corrected to read "City of Amery."
- **IT Financial Reporting Errors Policy** — The policy has been updated to reflect the current City Administrator (Alex Mansfield) in the signatory line, replacing the prior administrator's name. Substantively, the revision adds a formal definition of "Material Error" (errors affecting a line item by \$10,000 or more, causing a fund balance to differ by 5% or more, or that could mislead decision-makers) and establishes a clearer escalation path: material errors must now be reported to the Council at the next scheduled meeting and to external auditors as appropriate. A requirement was also added to include a summary of errors identified and resolved each quarter in the regular financial report to Council.
- **Leak Adjustment Policy** — This policy governs how the City will handle utility billing adjustments when a customer experiences an undetected catastrophic leak. The policy establishes eligibility criteria (the leak must have been unknown to the customer, must have caused usage at least 150% above the customer's average, and the customer must have repaired it and submitted documentation), a structured application and review process through a three-member committee, and a tiered adjustment schedule for sewer charges based on occurrence history over a 10-year period. Water charge adjustments are governed by Wisconsin Admin. Code § PSC 185.35(6) and cannot be reduced below the City's actual cost of water. Appeals go to the City Council. This policy fills a gap in how the Utilities handles these requests and ensures consistency, fairness, and clear customer expectations.

#### New Policies

- **SDLC Policy (System Development Life Cycle)** — Previously a draft that never had Council's approval. The final version adds explicit purchasing threshold cross-references (\$10,000 for competitive quotes, \$25,000 for sealed bids), a data ownership and portability clause requiring vendors to return all City data in a portable format within 30 days of contract termination, and specific insurance requirements for the IT Service Provider including cyber liability coverage of at least \$1,000,000 per occurrence.
- **Fraud Prevention & Whistleblower Policy** — This is an entirely new policy and addresses the most significant governance gap identified in the 2026 review. The City had no formal fraud reporting mechanism, which is a material concern for a municipality with a two-person finance team where full segregation of duties is not always possible. The policy establishes a zero-tolerance position on fraud, waste, and abuse; defines fraudulent conduct; establishes multiple reporting channels (City Administrator, City Attorney as a confidential channel, City Council, or law enforcement directly); sets out investigation procedures including a 10-business-day initial assessment timeline; and includes explicit anti-retaliation protections consistent with Wisconsin Statutes § 895.65. The Preventive Controls section of the policy formally codifies several internal controls already referenced in the 2026 review, including the \$5,000 dual-authorization threshold, regular review of bank reconciliations, and annual fidelity bond review. The policy requires all staff to receive training upon hire and at least every two years, and calls for Council reaffirmation every three years or following any substantiated fraud incident.

**Fiscal Impact:** None of the revised policies change current spending levels. The Fraud Prevention &

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Whistleblower Policy and the Leak Adjustment Policy are operational in nature. The Investment Policy's wire transfer controls formalize practices that should already be in place and involve no new cost. The SDLC Policy's insurance requirements for the IT Service Provider may result in a minor contract adjustment if the current vendor's coverage does not meet the stated minimums; staff will verify this during the next contract review. Leak adjustments under the new Leak Adjustment Policy represent a manageable and bounded utility revenue reduction in qualifying cases, and the tiered sewer adjustment schedule is designed to limit the City's exposure for repeat occurrences.

**Next Steps:** Staff recommends a discussion with the full Council at the March 24th Committee of the Whole meeting. Following that discussion, and any changes that come out of that discussion, the policies will go for adoption at the next Council meeting.

# City of Amery

## Investment Policy

### **Purpose:**

This policy applies to those funds that are under the authority of the City of Amery. Financial assets of funds not under the authority of the City of Amery 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.

### **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, including the prohibition on speculative investments and derivative instruments under Wisconsin § 66.0603(1r).
- The City of Amery 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.

**GASB Update:** GASB Statement No. 40 (Deposit and Investment Risk Disclosures) requires annual disclosure of credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The Clerk-Treasurer shall prepare GASB 40-compliant disclosures as part of the City's annual financial statements, identifying the credit quality ratings of investments where applicable.

#### **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.

**GASB Update:** GASB Statement No. 40 also requires disclosure of interest rate risk using a method such as segmented time distribution, specific identification, weighted average maturity, duration, or simulation model. The Clerk-Treasurer shall select and consistently apply one of these methods in the annual financial statement disclosures.

#### **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 to be 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 three qualified institutions will be contacted each time an investment is placed. This minimum of three institutions is consistent with the City's Purchasing/Grant Procurement Policy standard for competitive quotes.

**GASB Update:** GASB Statement No. 72 (Fair Value Measurement and Application) requires that investments be reported at fair value in the government-wide financial statements, with disclosure of the fair value hierarchy level (Level 1, 2, or 3) for each investment type. The Clerk-Treasurer shall ensure that the City's annual financial statements include the GASB 72-required fair value hierarchy disclosures for all investment holdings.

## **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 § 34.05, is, under the provisions of Wisconsin Statutes § 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 § 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.**

Management and administrative responsibility for the investment program of the City is entrusted to the Administrator or Clerk-Treasurer under the direction of the City Council. Individuals authorized to engage in investment transactions on behalf of the City are the Administrator, Clerk-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). Speculative investments and derivative instruments are expressly prohibited pursuant to Wisconsin § 66.0603(1r).

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.

#### **Wire Transfer Security Controls:**

Given the increasing frequency of wire fraud targeting local governments, the City shall maintain the following controls for all wire transfer transactions:

- Wire transfer instructions received by email or other electronic means shall not be acted upon until verbally confirmed with the sending institution or payee using a phone number independently verified from a prior trusted source — not a number provided in the same electronic communication containing the wire instructions.
- Any change to existing wire transfer standing instructions (e.g., a change in beneficiary bank or account number) shall require dual authorization by both the Clerk-Treasurer and the City Administrator before the change is implemented.
- Wire transfers shall be executed only during normal business hours by authorized personnel. After-hours or emergency wire requests shall be subject to heightened scrutiny and dual authorization regardless of amount.
- The City shall maintain a written wire transfer agreement with its lead bank establishing agreed-upon security protocols, callback verification procedures, and liability allocation.
- Any suspected wire fraud attempt shall be reported immediately to the City Administrator, the City's lead bank, and law enforcement.

#### **Internal Controls:**

The City of Amery 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 record keeping.
- Clear delegation of authority to subordinate staff members.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorizations of wire transfers, consistent with the Wire Transfer Security Controls above.
- 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 Administrator or Clerk-Treasurer for review by the City Council.

#### **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.

**Reporting.**

The Administrator or Clerk-Treasurer shall present a quarterly 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 transactions made over the previous quarter, including the fair value of all holdings reported consistent with GASB Statement No. 72. The management summary 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.

**Pooling of Cash.**

Except where otherwise provided by the City Council, the Administrator or Clerk-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.

**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.

**Approved by:**

\_\_\_\_\_  
Alex Mansfield, City Administrator

\_\_\_\_\_  
Date

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*Developed: October 2023*  
*Adopted: February 2024 | Revised: \_\_\_\_\_ 2026*

# City of Amery

## Debt Management Policy

### Policy Statement

This Debt Management Policy establishes a framework for the use, management, and reporting of the City's debt financing. The policy's primary objectives are to define appropriate uses of debt, minimize debt service and issuance costs, maintain a high credit rating, and ensure financial transparency and full disclosure. All City debt financing must comply with applicable federal laws, U.S. Securities and Exchange Commission (SEC) regulations, Wisconsin State Statutes, City Code, and other regulatory requirements.

### Purpose of the Policy

This policy guides City staff in making responsible debt recommendations. It reassures the community that the City is financially sound and secures financing at the lowest possible cost. The City Administrator, Clerk-Treasurer, or designee is responsible for recommending debt issuance. All financing must receive City Council approval and comply with applicable laws and regulations. Any substantial modifications to this policy require City Council approval.

### Definitions

Arbitrage refers to the use of tax-exempt proceeds for reinvestment in higher-yield taxable securities. The Capital Improvement Plan (CIP) is a multi-year financial plan for City capital projects. General Obligation (G.O.) Bonds are debt backed by the City's full faith and credit. Revenue Bonds are repaid from specific revenue streams, such as public utilities. Conduit Financing occurs when the City issues bonds for a third-party project without assuming repayment responsibility.

**GASB Update:** GASB Statement No. 87 (Leases): Leases with a term greater than 12 months (excluding short-term leases as defined by GASB 87) must be recognized on the City's government-wide financial statements as a right-of-use asset and a corresponding lease liability. These lease liabilities constitute long-term obligations of the City and are subject to monitoring and disclosure requirements under this Debt Management Policy in the same manner as other long-term debt. The Clerk-Treasurer shall include all GASB 87 lease liabilities in the City's debt capacity analysis and annual debt reporting.

**GASB Update:** GASB Statement No. 96 (Subscription-Based Information Technology Arrangements — SBITAs): IT subscription contracts with a term greater than 12 months (e.g., cloud-hosted software) must be recorded as right-to-use assets and subscription liabilities on the government-wide statements. SBITA liabilities are long-term obligations subject to the same disclosure requirements as other debt under this policy. The Clerk-Treasurer shall track all active SBITAs and include SBITA liabilities in the annual debt summary presented to the City Council.

**GASB Update:** GASB Statement No. 91 (Conduit Debt Obligations): Conduit debt — bonds or other debt instruments issued by the City on behalf of a third party where the City has no obligation for repayment — must be disclosed in the notes to the City's financial statements even though it is not recorded as a liability on the City's balance sheet. The City shall maintain a current schedule of all conduit debt arrangements and ensure that required note disclosures are included in each year's financial statements.

### Guidelines for Debt Use

Debt financing should be considered only when the City has the legal, financial, and market capacity to support it. Consideration should be given to exploring all available financing tools, including inter-fund borrowing, reserves, state loans, external financing, and competitive bidding for bond or promissory note issuances. The issuance of long-term debt, typically ranging from ten to twenty years, should occur every two to three years for capital

improvements. Pay-as-you-go financing should be used when feasible. The term of any debt must not exceed the useful life of the asset being financed.

### **Types of Permitted Debt**

The City may issue various types of debt, subject to City Council approval.

#### **General Obligation (G.O.) Debt**

G.O. debt is limited to twenty years per Wisconsin Statutes. The total debt must not exceed five percent of the equalized value of taxable property. The per capita debt ratio target should remain between two and four percent, calculated using the most recent Wisconsin Department of Administration (DOA) official population estimate for the City of Amery to ensure year-over-year consistency. Property tax-supported debt service should not exceed ten percent of total governmental fund revenues.

#### **Revenue Bonds**

Revenue Bonds may be used for public utilities and infrastructure projects and are repaid from project-generated revenues, with a maximum term of forty years.

#### **State Trust Fund Loans**

State Trust Fund Loans may be utilized for public purpose projects, with a maximum term of twenty years.

#### **Conduit Financing**

Conduit Financing is available for projects aligned with the City's strategic plan, with borrowers assuming all repayment responsibilities and associated costs. Conduit debt shall be disclosed in the notes to the City's annual financial statements consistent with GASB Statement No. 91.

#### **Lease Obligations and SBITAs**

Leases with terms exceeding 12 months and subscription-based IT arrangements (SBITAs) with terms exceeding 12 months shall be recognized as right-of-use assets and corresponding liabilities on the government-wide statements, consistent with GASB Statements No. 87 and No. 96 respectively. These obligations are subject to annual monitoring under this policy. The Clerk-Treasurer shall maintain a current schedule of all active leases and SBITAs, including commencement date, term, annual payment, and remaining liability balance.

### **Debt Repayment and Reserves**

General obligation debt should be repaid within ten years whenever possible, while debt for equipment purchases should be repaid within five years. Debt service reserves should be maintained as required by bond ordinances to ensure financial stability.

### **Public Notice and Hearing Requirement**

To ensure transparency and public participation, the City shall provide public notice before any proposed debt issuance. The specific notice requirements vary by debt instrument type and must comply with the applicable Wisconsin statutory requirements, including Wisconsin § 67.05 (which requires a Class 1 notice — publication in a newspaper of general circulation — prior to certain debt issuances). In all cases, notice shall be provided no fewer than fourteen calendar days before any proposed debt issuance, or such longer period as required by the applicable statute. A public hearing must be held before final City Council approval, allowing for public comment and discussion.

**GASB Update:** Compliance note: Wisconsin § 67.05 specifies Class 1 notice requirements for various forms of municipal borrowing. The City Attorney should be consulted to confirm the applicable notice period and

publication requirements for each specific debt instrument prior to issuance, as statutory requirements may differ from the general 14-day minimum stated in this policy.

**Bond Record Retention**

The Administration Department must maintain comprehensive records of all bond issuances, including official transcripts, financial reports, and spending records for bond proceeds. Documentation on investment earnings and arbitrage calculations must also be retained. These records must be preserved for at least three years after the final bond payment. If bonds are refinanced, records must be kept for three years following the final redemption of the refinancing bonds.

**Arbitrage Compliance**

The City must comply with IRS arbitrage rebate rules to ensure bond proceeds are used as intended. The Finance Department is responsible for calculating arbitrage liability every five years and at bond maturity. Any liability must be reported in year-end financial statements, and required rebate payments must be made to the IRS in accordance with federal regulations.

**Continuing Disclosure**

To comply with SEC Rule 15c2-12, the City must provide timely financial disclosures to the Municipal Securities Rulemaking Board (MSRB). Accurate reporting of material financial events that may impact bondholders is essential for maintaining financial integrity. The City Administrator and Clerk-Treasurer shall maintain a continuing disclosure calendar and ensure that all required annual filings and material event notices are submitted on time.

**Annual Debt Reporting**

The Clerk-Treasurer shall present an annual debt summary to the City Council as part of the budget process or annual audit review. This summary shall include:

- Outstanding principal balances on all G.O. bonds, revenue bonds, state trust fund loans, and other long-term obligations;
- GASB 87 lease liabilities and GASB 96 SBITA liabilities;
- Conduit debt outstanding (disclosed but not on the City's balance sheet);
- Per capita debt ratio calculated using the current DOA population estimate;
- Debt service as a percentage of total governmental fund revenues;
- Compliance status relative to the statutory debt limit (5% of equalized value).

**Approved by:**

\_\_\_\_\_  
Alex Mansfield, City Administrator

\_\_\_\_\_  
Date

*Developed: March 2025  
Adopted: April 2025 | Revised: \_\_\_\_\_ 2026*

# City of Amery

## Fund Balance Policy

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### **Policy Statement:**

The purpose of this Fund Balance Policy is to set guidelines for the control and reporting of all of the City's fund balance assignments. An adequate fund balance level is an essential element in both short-term and long-term financial planning. Maintenance of sufficient levels of fund balance enables the City to stabilize funding for operations, stabilize taxes and fees, and realize cost savings in issuing debt.

### **Reason for Policy:**

The City's Fund Balance Policy establishes guidelines for preserving an adequate fund balance in order to sustain financial stability and to provide prudent management of the City's financial reserves. It is essential that the City maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen emergencies.

### **Definitions:**

**Fund Balance:** The difference between assets and liabilities in a government fund.

**Working Capital:** Current assets less current liabilities.

Fund balance is categorized in five classifications consistent with GASB Statement No. 54 (Fund Balance Reporting and Governmental Fund Type Definitions), depicting the relative strength of the spending constraints placed on the purposes for which the resources can be used:

### **Non-spendable:**

Resources that must be maintained intact pursuant to legal or contractual requirements are non-spendable, such as advances to other funds. This can also include assets that will never convert to cash, such as inventory, or will not convert to cash within the current fiscal year, such as the long-term portion of accounts receivable.

### **Restricted:**

These funds are limited by externally enforceable limitations on use. This includes limitations from the entity providing the money, such as grantors. Also, this classification includes funds with limitations placed by law or enabling legislation, such as charter or state law. Examples include refuse, environmental fee, impact fees, and tax increment funds.

### **Committed:**

Funds in this classification are those with limitations the government places on itself. The purpose of these funds is decided by Council action and also requires Council action to change the purpose. An example includes the park acquisition fund.

### **Assigned:**

Assigned fund balance has limitations based on the intended use of the funds. The assigned use can be established by the Council. Generally, the assigned balance will be used in the subsequent year's budget.

### **Unassigned:**

Residual net resources — the balance after restricted, committed, and assigned — are classified as unassigned fund balance. This is the amount of fund balance that is available to address emergencies and provide fiscal stability.

**GASB Update:** GASB Statement No. 54 establishes the five fund balance classifications above and defines each governmental fund type. All fund balance reporting must be consistent with GASB 54. Specifically, the City shall not report fund balance in the Committed classification without a formal City Council resolution establishing the constraint; and shall not report fund balance as Assigned without formal Council authorization or a delegation of that authority to the City Administrator.

### **Governmental Fund Types:**

The following are the fund types for which financial statements are prepared, consistent with GASB Statement No. 54:

#### **General Fund:**

A government's primary operating fund. Used to account for day-to-day operations of the City, including Mayor and Council, Administrative and Financial services, Human Resources, Community Development, Public Works Engineering, Police, Fire, and non-departmental services unaccounted for in other funds.

#### **Special Revenue Funds:**

Account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. Examples include Media Services, Environmental Fee, Solid Waste, Library, Revolving Loan, Business Development and Tourism, Library Trust, Housing Reserve, Park Impact Fee, Library Impact Fee, Fire Impact Fee, and Tax Increment Districts.

#### **Debt Service Funds:**

Account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

#### **Capital Project Funds:**

Account for financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities or infrastructure (other than those financed by proprietary funds or trust funds). Capital Project Funds are used for significant capital outlays such as building construction, major equipment acquisition, or infrastructure projects.

**GASB Update:** GASB Statement No. 54 defines Capital Project Funds as funds used for the acquisition or construction of major capital facilities — not for resources held in perpetuity. Resources that cannot be expended and must be held in perpetuity are reported in Permanent Funds, a separate governmental fund type. The City shall ensure that fund type classification in the annual financial statements is consistent with these GASB 54 definitions. (Note: This corrects a prior definition in this policy that described Capital Project Funds using language applicable to Permanent Funds.)

#### **Permanent Funds:**

Account for resources that are legally restricted so that only earnings — not principal — may be used for purposes that support the City's programs or benefit the government or its citizenry.

#### **Proprietary Funds:**

Report on activities financed primarily by revenues generated by the activities themselves, such as a municipal utility. There are two types:

- Enterprise Funds: Account for operations financed and operated in a manner similar to private business enterprises. The City's Enterprise Funds account for the operations of the Electric, Water, Sewer, and Stormwater Utilities and the Ambulance Service.
- Internal Service Funds: Account for the financing of goods and services provided by one department to another on a cost-reimbursement basis. Examples include City Center building maintenance and information technology (IT).

## **Fund Balance Policy:**

### **General Fund**

The City will establish a contingency expenditure appropriation in the annual General Fund operating budget to provide for unanticipated one-time expenditures. This contingency will be equal to 0.5 percent of the General Fund budget. This appropriation, if unused, will be considered part of the City's unreserved, unassigned fund balance. The City wishes to minimize its dependence on revenues not controlled by the City; therefore, a long-term goal is to increase General Fund revenues from City-controlled sources.

The City will also maintain a working capital reserve (current assets less current liabilities) of 50 percent of the General Fund operating budget to provide funds for reasonable cash flow needs. The City acknowledges that this reserve level is above the GFOA general guidance of two to three months of expenditures (approximately 17–25%). This higher target is an intentional local policy choice, reflecting the City's limited tax base, limited borrowing capacity, seasonal cash flow variability, and the need for financial stability with a small staff. This reserve will also be used when the City encounters unforeseen emergencies. Any projected surplus over 50 percent will be available for use by the City as determined in the budget process, generally for one-time projects or debt reduction.

### **Mandatory Fund Transfers**

To prevent deficits in any operational fund, the City shall implement a mandatory fund transfer policy. If any operational fund is projected to close the fiscal year with a deficit, the City Administrator, in coordination with the Clerk-Treasurer, will initiate a transfer from available reserves in the General Fund or another appropriate funding source. Any such transfer shall require City Council approval by formal resolution, placed on a regular or special meeting agenda. All inter-fund transfers shall be documented as part of the annual financial reporting process. A financial recovery plan will be developed to replenish the transferred funds in subsequent fiscal years.

### **Total General Fund Cash and Investments / Liabilities**

The goal of the City is to keep sufficient cash and short-term investments available to meet short-term liabilities, with a target ratio of 2:1 (cash and liquid investments to current liabilities). For purposes of this measurement, 'liquid investments available within 30 days' means: cash on deposit in checking and savings accounts; investments in the Wisconsin local government pooled investment fund; money market accounts; and any other investments with a stated maturity or redemption date within 30 days of the measurement date. This definition shall be applied consistently year over year.

This ratio will fluctuate during the year; however, it is the goal of the City to maintain a 2:1 ratio as an average, measured by the Administration/Finance Department as of December 31 of each year.

### **Maintenance**

Once the annual audit of the City is complete, the unassigned General Fund balance will be annually calculated by the Clerk-Treasurer and City Administrator, or designee. In the event that the unassigned General Fund balance is calculated to be less than the policy anticipates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance. Except in extraordinary circumstances the unassigned General Fund balance should not be used to fund any portion of the ongoing year-to-year operating expenditures of the City. It should be used primarily to ensure adequate assigned balances, to respond to unforeseen emergencies,

to provide cash flow, and to provide overall financial stability. Whenever General Fund balance funds are used, the reserve will be replenished as soon as possible.

**Debt Service Funds:**

The City currently holds a rating of A+/Stable from S&P Global Ratings for general obligation debt issued by the City.

**Debt Service Reserves**

Debt Service reserves shall be restricted for the debt payments of the specific debt issuance for which they were established. Residual amounts within the fund when the debt is paid in full shall be transferred to the General Fund.

**Proprietary Funds:**

**Enterprise Funds**

The appropriate net position of Enterprise Funds will be maintained to ensure adequate maintenance reserves and to ensure that cash flow balancing requirements and legal restrictions are met.

**Reserves**

The City will maintain a minimum level of Working Capital (current assets minus current liabilities) of its Enterprise Funds equal to three months of regular, on-going operating expenses including transfers out. In the event that the reserves are used resulting in a balance below the three-month minimum, the Administrator, Clerk-Treasurer, or designee, will develop a plan to be presented during the annual budget process.

The Administration/Finance Department will also ensure that net operating revenues of the Enterprise Funds that hold revenue debt constitute a minimum of 1.5 times the annual Debt Service requirements. The Administration/Finance Department will review the Enterprise Fund Reserves once the annual audit of the City is complete.

**Rate Structure**

Each Enterprise Fund will maintain an adequate rate structure to cover the costs of all operations, including maintenance, depreciation, capital and debt service requirements, reserves, and any other cost deemed necessary. Enterprise Fund rate structures will be reviewed by the Administration/Finance Department at least annually.

**Internal Service Funds:**

The appropriate net position of Internal Service Funds will be maintained to ensure adequate maintenance reserves and to ensure that cash flow balancing requirements and legal restrictions are met.

**Reserves**

The City will maintain a minimum level of net position (total assets minus liabilities) in its Internal Service Funds equal to one month of operating expenses. The Administration/Finance Department will review the Internal Service Fund Reserves annually once the annual audit of the City is complete.

**Administrative Responsibilities:**

The City Administrator and Clerk-Treasurer are responsible for monitoring and reporting fund balance assignments. They will make recommendations to the City Council regarding fund allocations during the annual budget process and as needed throughout the fiscal year.

**Implementation and Review:**

Following the completion of the annual audit, the Clerk-Treasurer and City Administrator will calculate the unassigned General Fund balance. If the balance falls below the policy threshold, budget adjustments will be proposed to restore it to the required level. Except in extraordinary circumstances, unassigned fund balances should not be used for recurring operational expenses. Instead, they should be reserved for emergency needs, cash flow stability, or strategic financial planning. When fund balances are drawn down, the City will implement a replenishment strategy to restore reserves as soon as possible.

**Approved by:**

\_\_\_\_\_  
Alex Mansfield, City Administrator

\_\_\_\_\_  
Date

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*Developed: March 2025*  
*Adopted: April 2025 | Revised: \_\_\_\_\_ 2026*

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# CITY OF AMERY

## FINANCIAL POLICIES/PROCEDURES

### *Gifts and Memorials Policy*

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## City of Amery

### Gifts and Memorials Policy

#### INTRODUCTION

Donations are important to the vitality of the City of Amery and its mission to preserve, enhance and strengthen the quality of life in the community. Historically, the City of Amery has been enriched by the generous donations of individuals and entities in support of the Amery community. The City will review proposed gifts and memorials for the purpose of assisting the donors in reaching their intended goals while recognizing the mission, goals, plans, resources and limitations of the City as a whole. It is intended that this policy provide a thoughtful review process which considers the intentions of the donor, is sensitive to the needs and desires of the community, and is sensitive to the costs associated with proposed gifts and donations, including long-term costs of maintenance and care.

Donations and gifts to the City of Amery may be made in any amount to aid or benefit the services and facilities provided by the City. Gifts may be designated for a specific program, park, or purpose. Gifts may also be unrestricted in which case they will be dispersed to the area of greatest need at the sole discretion of the City.

The following document defines and establishes a process for accepting gifts and donations along with celebrating and commemorating events or lives of individuals who have lived in Amery or who have significantly contributed to the City. This policy covers all monetary, property, endowment, and memorial donations.

#### **PURPOSE:**

The purpose of this policy is to provide guidelines and procedures for considering and receiving donations to the City of Amery.

#### **1. ORGANIZATIONS AFFECTED:**

All departments and staff of the City of Amery, all City residents, and all potential donors are expected to adhere to the guidelines set forth in this policy.

#### **2. POLICY:**

This policy shall cover all donations and gifts to the City of Amery and any of its departments. The City of Amery retains sole discretion to determine whether to accept or decline any proposed gift or donation. The City of Amery retains sole discretion to control and manage the placement, spacing, location, and number of memorials. This policy shall not be construed to create any right for any individual or organization to make any improvement or place any items on any public property within the City of Amery regardless of whether the proposal meets any or all of the criteria laid out herein. In the absence of a specific agreement, the City of Amery shall not be obligated to maintain the Donation or memorial, or to maintain the Donation or memorial beyond the reasonably expected lifespan or to replace the Donation if it is stolen, vandalized, worn out, irreparably damaged, or destroyed.

#### **3. DEFINITIONS:**

Administrator: The City of Amery Administrator.

Donation(s)/Gift(s): Any item proposed to be deeded or otherwise given or donated to the City of Amery including, but not limited to, endowments; real or personal property; public improvement projects or proposals; structures or

portions of structures; money; negotiable securities; materials; equipment; improvements to facilities or land; statues; monuments; memorials; tributes; sculptures; murals and other public works of art; plaques; and graphics or signs. Donations will either be approved or denied by the City Administrator/Clerk-Treasurer or the City Council depending on the donation dollar amount and other criteria as defined herein.

**Donor:** A private individual, for-profit company, non-profit organization, public agency or any other entity wishing to make a Donation or Gift to the City of Amery.

**Donor Recognition Object:** A physical object such as a plaque or sign placed to acknowledge a donation or gift.

**Major Donations:** Any Donation of \$1,500 or more, and/or a request for naming rights other than those attached to minor structures such as trees, park benches or bricks.

**Minor Donations:** Any Donation of under \$1,500 is considered a minor donation which may be approved administratively and are not required to be approved by the City Council.

**Monument/Memorial:** An item or object established to preserve the memory of a deceased person(s) or an event that occurred in the past. Any statue, sculpture, mural or other structure or landscape feature designed to perpetuate in a permanent manner the memory of any person, group, event or other significant element of history.

**Park Amenity:** Typical park improvements that contribute to the traditional use of park land such as trees, benches, play structures, picnic tables, shelters, sports facilities, trails, etc.

**Public Art:** Works of art including, but not limited to, paintings, prints, sculptures, and murals.

**Public Improvement Project/Proposal:** May include a funded, partially funded or unfunded capital project(s) request consisting of real property, structures, portions of structures, materials and/or equipment for construction or renovation of a structure or landscape feature. Maintenance activities such as weeding or replanting established gardens are not considered public improvement projects for purposes of this policy.

**Tribute:** An item, object or gift designed to acknowledge the contributions of a living person(s) to a society. Projects recognizing groups such as persons with cancer or AIDS are also considered tributes.

#### **4. PROCEDURE:**

As donations and gifts vary greatly, the review process may be tailored according to the type of gift or donation proposed and the complexity of the proposal. Those wishing to make a Major Donation are strongly encouraged to contact the City Administrator/Clerk-Treasurer at the earliest possible time to discuss the proposed gift and the process for review.

#### **5. Donation Agreement Form**

Donors may be required to complete and submit a Donation Agreement Form. All donations of real property will require the use of a Donation Agreement Form. The City Administrator shall assist the Donor with completion of the form. This form shall include, as appropriate and applicable, the intent of the proposal, whether the gift is restricted or unrestricted, cost estimates, size, proposed location, timeline, site drawing, future maintenance requirements and any other information the City Administrator may deem necessary and/or useful. The completed form must be submitted to the City Administrator for review and recommendation to the City Council, if required.

For donations of real property, the City Administrator shall initiate Plan Commission review within 60 days of receiving a completed Donation Agreement Form. If the donation is intended for park purposes, the Arts & Parks Committee shall also review the proposal within 60 days.

### **5.1 Monetary Gifts and Donations / Gifts and Donations of Negotiable Securities**

1. Previously established funds or campaigns: Subject to criteria established in Section 5.5, the City Administrator is hereby authorized to accept or reject any monetary gifts or donations to be made for a previously approved/established/budgeted fund or capital campaign.
2. Minor Donations: Subject to criteria established in Section 5.5, the City Administrator is hereby authorized to accept or reject any Minor Donations. Undesignated monetary donations when accepted shall be deposited with the Treasurer for use in the General Fund. Monetary Minor Donations shall be deposited in the account(s) most appropriate to the intentions of the donor(s) when identified.
3. Designated or Conditioned monetary donations: In the event that a monetary donation is conditioned or donated specifically for a public improvement project, memorial, work of public art, tribute, or similar program, the recipient department or the City Administrator shall assist the Donor in completing a Donation Agreement Form and, subject to criteria established in Section 5.5, shall make a recommendation to the City Council who shall determine whether to accept or reject the donation. If the Donation is not accepted, the City Treasurer shall return the donation to the donor. If appropriate, the City Treasurer may establish a new fund or account within a fund for the donation.
4. Major Donations: A Donor desiring to gift to the City a Major Donation shall complete a Donation Agreement Form. The City Administrator shall review the Donation Agreement Form and subject to criteria established in Section 5.5, shall make a recommendation to the City Council who shall determine whether to accept or reject the donation. Donors wishing to remain anonymous should indicate such on the Donation Form. The City Administrator, in making such a review and recommendation, may rely on such other resources as they deem necessary and appropriate, including but not limited to the City Attorney, City planning staff, and financial experts.
5. Negotiable Securities: Subject to criteria established in Section 5.5, the City Administrator is hereby authorized to accept or reject donations of negotiable securities when in his/her professional judgment, in consultation with financial experts, the City Attorney, and any affected department head, acceptance of the proposed Donation is in accordance with the statutes, rules and regulations governing municipal finances and investment; and, the proposed Donation is not subject to conditions, is for a previously approved/established/budgeted fund or campaign. If the donation is subject to conditions or is for a new, unbudgeted project or campaign, the City Administrator shall make a recommendation to the City Council who shall determine whether to accept or reject the donation.

Unless restricted, negotiable securities may be held or sold at a marketable rate and the proceeds of such sale used as specified by the Donor or as may be deemed appropriate and in the best interests of the City.

### **5.3 Gifts of Real Property**

Persons desiring to gift real property shall complete a Donation Agreement Form. The City Administrator shall review any proposed Donations of real property and make recommendations to the appropriate committees or commissions and to the City Council. In making such a review and recommendation, the City Administrator may rely on such other resources as they deem necessary and appropriate, including but not limited to the City Attorney, City planning staff, and financial experts. Proposed gifts or donations of real property shall be reviewed for suitability for the intended use or potential for resale; any conditions which may be placed upon the use of the property by the Donor; potential environmental concerns; probable maintenance costs; and any other relevant information. Appraisals of the property may be requested from the donor. All gifts or donations of real property shall be reviewed by the Plan Commission for recommendation to the City Council, prior to City Council action. All gifts or donations of real property that is intended to be used for park purposes shall be reviewed by the Arts & Parks Committee as well as the Committee of the Whole, for recommendation to the City Council, prior to City Council action.

### **5.4 Non-Monetary Gifts and Donations (Excluding Real Estate)**

6. The City Administrator is hereby authorized to accept or reject donations of materials or other items associated with previously approved projects if the donation is made without condition or restriction. The City Administrator is hereby authorized to accept or reject Minor Donations of materials or other items associated with projects not previously approved provided the donation is made without condition or restriction, and such items are typical for use in a City department. Major Donations or donations made

that are subject to conditions or restrictions, or donated items that are not typical for use in a City Department shall be referred to the Committee of the Whole and then City Council for the City Council's possible approval.

7. For other gifts and donations including, but not limited to, substantial gifts such as public art, memorials, tributes, and previously unapproved public improvement projects, the recipient department shall assist the donor in completing a Donation Agreement Form and forward the completed Form to the City Administrator for review and recommendation to any appropriate committees or commissions and to the City Council, and the City Council shall make the decision of whether to accept the donation. The City Administrator, Committees/Commissions and City Council shall consider all of the circumstances surrounding the proposed gift including the criteria as enumerated within this policy and as may be applicable to the proposed donation. If the donation is approved and if appropriate, the Treasurer may establish a new fund or account within a fund for the donation.

### **5.5 Criteria for Evaluating Gifts and Donations**

In order to assist potential donors to fulfill their desires to make a gift or donation to the City of Amery and to ensure that all gifts and donations are consistently, fairly, and thoughtfully reviewed, the City will be guided in its review of proposed gifts and donations by the following guidelines.

#### **5.5.1 Donations of memorials/tributes/public improvement projects and works of art:**

8. Consistency of the donation and the donor with the mission and policies governing the City of Amery and/or the particular department or division.
9. Whether the proposed donation/gift provides improvements to an area of the City which may be deficient in public amenities.
10. Whether the proposed donation/gift promotes the preservation of historical and cultural aspects of the community.
11. Whether the proposed gift/donation has an educational component.
12. Whether the proposed gift/donation helps to promote conservation, preservation and protection of the natural environment.
13. Whether the proposed donation helps to promote preservation of natural areas and green space.
14. Whether the proposed gift/donation is suitable for the proposed purpose.
15. Whether the proposed gift/donation is compatible with the proposed location and other users of the public space.
16. Whether the proposed gift/donation contributes to, or detracts from, the aesthetic qualities of the surrounding area.
17. Financial implications to the City, including cost of installation and ongoing maintenance, and whether the gift/donation covers any anticipated costs.
18. Provision by the donor for ongoing maintenance and cost of relocation and removal, if necessary.
19. Whether any public safety or security issues are identified.
20. Whether the proposed gift/donation complies with all applicable codes including building codes and ADA requirements.
21. Whether the proposed gift/donation is discriminatory or has characteristics prohibited from display in public spaces.

### **6. Donor Recognition Objects**

The City of Amery appreciates the desire of some donors to be recognized either personally or on behalf of another for their generous donations. If a Donor Recognition Object is to be included as part of a proposed gift/donation, such object, its cost, and funding for the object should be specially identified and submitted with the donation for approval. In general, it is the policy of the City to limit donor recognition objects to plaques or other recognition objects which are small in scale. The City Administrator is hereby authorized to approve Donor Recognition Objects which are consistent with this policy. Any other Donor Recognition Object shall require approval of the City Council.

### **7.0 Private Construction**

If construction of a public improvement project is coordinated or contracted for by the Donor, the Donor will be responsible for complying with all federal, state, and local laws which may include competitive bidding and state wage rate laws. The Donor will also bear the cost of all necessary permits, approvals, project management, design, installation, and manufacture of the gift/donation unless these costs are specifically accepted or waived by the City Council.

- Proof of compliance with the City's insurance requirements for contractors will be required before work may commence on any public improvement project.
- Improvements made in a public place become the property of the City of Amery and are subject to the laws, policies, and procedures of the City.

### **8.0 Removal of Donations and Recognitions**

The City is not obligated to replace any gift/donation or improvement if it is lost, stolen, damaged or worn. The City also reserves the right to remove any donation, donation recognition object, monument, memorial, park amenity, public art, public improvement project, tribute, or other item or recognition for any reason for the good of the City, which may include but is not limited to safety reasons, deterioration caused by age, neglect or vandalism, and/or the City's inability to finance ongoing maintenance or repairs.

In all cases, to the extent feasible, the Donor or the Donor's family shall be contacted to determine if they would like the return of any such gift/donation. Any costs associated with the transfer and return of the Donation shall be borne by the Donor or Donor's family.

### **9.0 Acknowledgements and Anonymity**

All donations for which the donor does not request anonymity shall be acknowledged by the City Administrator, Clerk-Treasurer or appropriate department head with a letter of appreciation. The City of Amery is a municipal entity subject to the provisions of Wisconsin Public Records Laws and therefore cannot guarantee the anonymity of individual donors. Donors wishing to remain anonymous should consult with the City Attorney, who can advise on available mechanisms to make a gift while minimizing public disclosure consistent with applicable law.

### **10. Appraisals**

The City may, at its discretion, request or require an appraisal of real or personal property prior to the acceptance of any gift or donation.

### **11.0 Waiver of Terms of this Policy**

The City Council may waive any of the criteria specified within this policy upon a finding that it is in the best interests of the City to do so.

### **12.0 Tax Liability**

It is the responsibility of the donor to assign a monetary value to the gift for tax purposes. Information provided by the City, its officials, employees or agents in connection with gifts/donations is intended to be informational only and is not intended to be a substitute for professional financial or legal advice or opinions. The City of Amery makes no representations or guarantees as to the tax implications of any gift or donation made to the City. Donors are responsible and are advised to obtain their own tax and financial advice from appropriate professionals.

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Developed: October 2023  
Adopted: December 2023 | Revised: \_\_\_\_\_ 2026

# CITY OF AMERY

## FINANCIAL POLICIES/PROCEDURES

### *Policy on Managing Financial Reporting Errors Related to the IT Environment*

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## City of Amery

### Policy on Managing Financial Reporting Errors Related to the IT Environment

#### **Purpose:**

The purpose of this policy is to establish guidelines for identifying, reporting, and rectifying errors in financial reporting that arise from the IT environment. This ensures the accuracy and reliability of the City's financial statements and related information.

#### **Scope:**

This policy applies to all employees, departments, and entities involved in the financial reporting process within the City of Amery, including the use and management of financial software, databases, and other IT systems.

#### **Definitions:**

- Financial Reporting Errors: Mistakes or inaccuracies in financial data or reports caused by incorrect data entry, system malfunctions, software bugs, or other IT-related issues.
- IT Environment: The hardware, software, networks, and related infrastructure used to process, store, and transmit financial information.
- Material Error: Any financial reporting error that (a) affects a single revenue, expenditure, or balance sheet line item by \$10,000 or more; (b) causes a fund's total reported balance to differ from the actual balance by 5% or more; or (c) in the judgment of the City Administrator, could mislead the City Council, external auditors, or the public regarding the City's financial position. Material errors require escalation as described in this policy.

#### **Responsibilities:**

##### **City Administration:**

- Ensure the integrity of financial data and reports.
- Collaborate with the IT Service Provider to resolve financial reporting errors.
- Report identified errors and corrective actions to relevant stakeholders.
- Include a summary of any material errors identified and resolved during the reporting period in the quarterly financial report to the City Council.

##### **IT Department / IT Service Provider:**

- Maintain and support the IT environment used for financial reporting.
- Identify and rectify IT-related issues that cause financial reporting errors.
- Work with City Administration to ensure timely resolution of errors.
- Refer to the City's SDLC Policy for procedures governing system changes that may affect financial reporting.

##### **Employees:**

- Follow established procedures for data entry and financial reporting.
- Report any suspected errors or issues to their supervisor or City Administration immediately.

### **Identification of Errors:**

- Regular audits and reviews of financial data and reports will be conducted to identify potential errors.
- Automated monitoring tools and error detection mechanisms should be in place to alert relevant personnel to anomalies or inconsistencies in financial data.

### **Reporting and Escalation:**

- Any identified financial reporting error must be reported to City Administration immediately.
- City Administration will assess the error and determine whether it meets the definition of a Material Error.
- Material errors must be reported to the City Council at the next regularly scheduled meeting, or sooner if the error may affect upcoming financial decisions or debt obligations.
- Material errors must also be reported to the City's external auditors as necessary and consistent with the engagement letter terms.
- Non-material errors shall be corrected promptly and documented, but do not require Council escalation unless they reflect a systemic control weakness.

### **Error Resolution Process:**

#### **Initial Assessment**

- Upon identification of an error, City Administration will collaborate with the IT Service Provider to perform an initial assessment, determining the root cause and potential impact on financial reporting.

#### **Corrective Actions**

- The IT Service Provider will take necessary corrective actions to resolve IT-related issues, including software patches, data restoration, and system configuration adjustments.
- City Administration will make necessary adjustments to financial records and reports to correct inaccuracies.

#### **Verification and Validation**

- Once corrective actions are implemented, City Administration will verify and validate the accuracy of the corrected financial data and reports.
- Additional reviews and audits may be conducted to ensure no further errors are present.

### **Documentation and Reporting:**

- All identified errors, corrective actions, and outcomes must be documented in detail.
- City Administration will maintain records of all errors and resolutions, including timelines, personnel involved, and any communication with external parties.
- A summary of errors identified and resolved during each quarter shall be included in the quarterly investment and financial activity report presented to the City Council, creating an ongoing accountability record.

### **Training and Awareness:**

- Regular training sessions will be provided to employees involved in financial reporting to enhance their understanding of data accuracy, error detection, and reporting procedures.
- Awareness programs will be conducted to inform employees about the importance of accurate financial reporting and the role of the IT environment in maintaining data integrity.

### **Review and Updates:**

- This policy will be reviewed annually and updated as necessary to reflect changes in technology, regulatory requirements, and best practices.
- Any updates to the policy must be approved by the relevant authority and communicated to all stakeholders.

**Approved by:**

\_\_\_\_\_  
Alex Mansfield, City Administrator

\_\_\_\_\_  
Date

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*Developed: June 2024*  
*Adopted: July 2024 | Revised: \_\_\_\_\_ 2026*

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# CITY OF AMERY

## FINANCIAL POLICIES/PROCEDURES

### ***Leak Adjustment Policy***

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## **City of Amery**

### **Utilities Department**

### **Leak Adjustment Policy**

#### **Policy**

The City of Amery Utilities Department is responsible for maintenance and operation of water and wastewater treatment and distribution systems. Each property owner is responsible for installation, maintenance, and repair of water piping from the curb stop to the main building, and wastewater piping from the service lateral connection to the main building, including all plumbing inside the building.

This policy is intended to address high sewer and water usage charges caused by undetected water pipe breaks or appliance failures that develop inside a building. As further defined herein, adjustments are limited to leaks that are catastrophic in nature, were unknown to the customer, and are beyond the customer's reasonable control.

**Water Charge Adjustments:** Pursuant to Wis. Admin. Code § PSC 185.35(6), the City may bill water wasted due to an undetected leak at a reduced rate, but not less than the City's actual cost of providing that water. The reduced rate shall be calculated using the lowest volumetric rate in the City's rate schedule (Schedule Mg-1), or at a rate specifically determined to cover the actual cost of the water, whichever is applicable per the City's rate filing. No water charge adjustment shall be made for water supplied after the customer has been notified of the leak and has had a reasonable opportunity to correct the condition.

**Sewer Charge Adjustments:** Sewer charges are not regulated by the Wisconsin Public Service Commission. The City retains discretion to adjust sewer charges above the customer's calculated average usage, subject to the applicability criteria and limitations set forth in this policy.

When a qualifying leak occurs, adjustment of charges may be considered only when usage during the leak period is at least 150% above the customer's average usage, determined using the previous four (4) quarterly billing cycles (one year). Where a customer has not occupied or owned the property for four quarterly billing cycles, an average of all available quarterly billing cycles will be used.

#### **Applicability**

A charge adjustment will be considered when ALL of the following conditions are met:

- The high usage is the result of a cracked or broken water pipe inside a building (e.g., a frozen, deteriorated, or failed pipe or fitting), or a defect or malfunction in a plumbing fixture or appliance such as a toilet, faucet, water softener, water heater, boiler, or furnace humidifier, located in a vacant area or area where the leak may go unnoticed.
- The leak was unknown to the customer prior to receiving a high bill or high usage notice from the City.
- The leak has been repaired, and documentation of the repair has been submitted as required by this policy.
- The customer does not have an outstanding delinquent balance on their utility account, or has signed a deferred payment agreement prior to submitting an adjustment request. Customers with a deferred payment agreement are encouraged to identify this on their application; staff will confirm the agreement is in good standing as part of the review.
- The customer provides access to the property for inspection by Utilities staff, if requested.

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### **Situations Not Eligible for Adjustment**

A charge adjustment will NOT be considered in the following cases:

- The customer failed to repair a pipe, appliance, or fixture known to have defects or be in need of repair prior to the leak event.
- The high usage occurred more than 30 days after the customer received a high bill or high usage notice from the City.
- The customer is unwilling to allow Utility staff access to inspect the reported leak and/or the repairs made.
- The high usage is due to watering of lawns, trees, or gardens.
- The high usage is due to failure to turn off hoses, sprinklers, or sprinkler systems.
- The high usage is due to negligent water use or another incident within the customer's reasonable control.
- A recurring plumbing or appliance leak for which the customer has previously received an adjustment but failed to make adequate repairs to prevent recurrence.

### **Application Process**

Customers seeking a billing adjustment must complete and submit a Leak Adjustment Application to City Hall. Applications should be submitted within 90 days of the quarterly billing date on which the excessive usage appeared. Customers are strongly encouraged to pay at least the amount of an average quarterly bill and to continue paying subsequent quarterly bills while the application is under review.

Required documentation must accompany the application:

- A completed Leak Adjustment Application form, available at City Hall or the City website.
- Proof of repair in the form of one or more of the following: (a) a plumber's invoice or receipt confirming the repair, (b) receipts for materials purchased to complete the repair, or (c) photos of the completed repair together with a written description of the work performed.
- A brief written explanation of when the leak was discovered, where it was located on the property, and the nature of the failure.
- Any additional information or documentation requested by the Utilities Department as part of the review.

### **Application Review Process and Appeals**

A review committee consisting of the City Administrator, Public Works Director, and Utility Clerk shall review Leak Adjustment Applications on a quarterly basis, coinciding with the billing cycle. As part of the review process, the committee may request an on-site inspection of the property where the leak occurred.

The committee will notify the applicant of its determination within 30 days of receiving a complete application. If the application is approved, the adjustment will be applied to the next quarterly billing cycle. If denied, the notification will include a brief explanation of the reason for denial.

Applicants may appeal a committee decision to the City Council. An appeal must be submitted in writing within 30 days of the date of the committee's decision. The City Council shall consider the appeal within 30 days of receipt and issue a final decision within 60 days of the date of appeal.

### **Adjustment Terms**

#### **Water Usage Charges**

Pursuant to Wis. Admin. Code § PSC 185.35(6), water charges will not be reduced below the City's actual cost of providing the water. Where an adjustment is approved, water wasted above the customer's average usage will be billed at the lowest volumetric rate in the City's rate schedule (Schedule Mg-1) in lieu of the standard rate. No adjustment to water charges will be made for usage accrued after the customer was notified of the leak.

#### **Sewer Usage Charges**

In cases where the customer provides sufficient evidence that water lost during the leak was NOT discharged to the sanitary sewer system, a full credit of sewer usage charges above the customer's average usage will be considered.

In cases where water lost during the leak WAS discharged to the sanitary sewer system, an adjustment of sewer usage charges above the customer's average usage will be considered, subject to the following frequency limitations based on the customer's tenancy and/or ownership of the property during any 10-year period:

- First occurrence: eligible for adjustment of up to 100% of excess sewer usage charges.
- Second occurrence: eligible for adjustment of up to 75% of excess sewer usage charges.
- Third occurrence: eligible for adjustment of up to 50% of excess sewer usage charges.
- Fourth and subsequent occurrences: not eligible for an adjustment.

Regardless of the above, a recurring leak will not be eligible for multiple adjustments if the customer failed to make necessary repairs to prevent recurrence after a prior adjustment was granted.

**Frequency Limitation**

No more than one leak adjustment will be granted per service address within any 12-month period, regardless of the number of separate leak incidents. This limitation does not affect the 10-year occurrence counting described under Sewer Usage Charges above.

**Contact Information**

Questions regarding this policy should be directed to:

City Administrator  
104 Maple Street West – Suite A  
Amery, WI 54001  
(715) 268-3411  
(715) 268-4870 (fax)

**Approved by:**

\_\_\_\_\_   
Alex Mansfield, City Administrator

\_\_\_\_\_   
Date

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*Developed: April 2026*  
*Adopted: \_\_\_\_\_ 2026*

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# CITY OF AMERY

## FINANCIAL POLICIES/PROCEDURES

### *Policy on System Development Life Cycle (SDLC) Controls*

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## City of Amery

### Policy on System Development Life Cycle (SDLC) Controls

#### **Purpose:**

The purpose of this policy is to establish a consistent, structured framework for the planning, deployment, and ongoing management of all information technology systems used by the City of Amery. This policy ensures that technology investments are aligned with City objectives, properly authorized, and responsibly maintained throughout their useful life.

#### **Scope:**

This policy applies to all City of Amery employees, departments, and vendors involved in the acquisition, implementation, modification, or retirement of any City IT system, including financial software, operational platforms, public-facing applications, and related infrastructure.

#### **Definitions:**

- IT Service Provider: The contracted third-party company retained by the City of Amery to provide information technology services, support, and advisory functions.
- System: Any software application, platform, or technology infrastructure used by the City to conduct municipal operations.
- Subscription-Based IT Arrangement (SBITA): A contract that conveys the right to use another party's IT infrastructure (including cloud-hosted software) for a term greater than 12 months, subject to GASB Statement No. 96.

#### **Responsibilities:**

- City Administration: Provide oversight and final approval authority for new systems and major modifications; serve as the primary point of accountability for IT governance; manage the contract relationship with the IT Service Provider.
- IT Service Provider: Advise the City on technology needs and solutions; manage technical implementation, system configurations, integrations, and ongoing support; report system issues and recommendations to the City Administrator or designee in a timely manner.
- Department Heads: Identify departmental technology needs; participate in requirements development; ensure staff compliance with this policy; escalate system concerns to the City Administrator.
- Employees: Follow established procedures for system use; report issues or concerns to their supervisor or the City Administrator promptly.

#### **Phase 1 — Planning & Requirements**

Prior to acquiring or deploying any new IT system, or making significant modifications to an existing system, the responsible department shall submit a written request to the City Administrator. The request must include:

- A description of the business need or problem being addressed
- Identification of affected departments and users
- A preliminary cost estimate, including implementation and ongoing maintenance
- Any applicable grant, procurement, or budget considerations

The City Administrator shall engage the IT Service Provider to evaluate the request for technical feasibility, compatibility with existing systems, and estimated cost and timeline. The IT Service Provider shall provide a written recommendation to the City Administrator prior to any procurement decision.

City Council approval is required for any system acquisition or significant modification exceeding the purchasing thresholds established in the City's Purchasing/Grant Procurement Policy (currently: competitive written quotes required at \$10,000 or above; competitive sealed bids required at \$25,000 or above). All contracts with software vendors or system providers shall be reviewed by the City Administrator and executed in accordance with the City's procurement procedures; the IT Service Provider shall not enter into vendor agreements on the City's behalf without explicit written authorization.

### **Phase 2 — Deployment & Change Management**

All new systems and significant system changes shall be implemented through a controlled process coordinated between the City Administrator, the relevant department head, and the IT Service Provider. This process shall include:

- Documented project scope, timeline, and clearly assigned responsibilities between City staff and the IT Service Provider
- Testing in a non-production environment prior to go-live, where technically feasible, conducted or overseen by the IT Service Provider
- Staff training prior to deployment, with the IT Service Provider responsible for providing or facilitating training as defined in the service contract
- A communication plan to notify affected employees of changes
- Written approval from the City Administrator before any system is placed into production

Emergency changes that must be made outside the standard process (e.g., critical security patches) may be implemented by the IT Service Provider with verbal authorization from the City Administrator or designee, provided the change is documented in writing within five business days. The IT Service Provider shall notify the City Administrator of any emergency change as soon as practicable.

### **Phase 3 — Maintenance & Retirement**

The IT Service Provider shall maintain and provide to the City Administrator, at least annually, a current inventory of all active City IT systems. This inventory shall include vendor support status, contract renewal dates, and known end-of-life timelines. The City Administrator retains ownership of and final authority over all system records and data, regardless of which party maintains the inventory.

Systems shall be reviewed no less than annually by the City Administrator in consultation with the IT Service Provider to assess continued functionality, security posture, vendor support availability, and alignment with City needs.

When a system is identified for retirement, the IT Service Provider shall assist in developing a transition plan addressing data migration or archiving, contract termination procedures, and continuity of affected services. No system shall be decommissioned without written authorization from the City Administrator. The City shall retain all rights to its data upon the retirement of any system or upon termination of the contract with the IT Service Provider.

### **Data Ownership & Portability:**

All data created, stored, or processed in any City IT system — including systems hosted by the IT Service Provider or third-party vendors — remains the sole property of the City of Amery. Upon termination of any vendor or IT Service Provider contract, or upon retirement of any system, the vendor shall provide all City data in a complete, portable, and non-proprietary format (e.g., CSV, SQL export, or industry-standard equivalent) within 30 days of the contract end date or written request. No vendor shall restrict the City's access to its own data or impose unreasonable fees for data retrieval upon contract termination.

**Insurance & Cybersecurity Requirements for the IT Service Provider:**

The IT Service Provider shall maintain, at minimum, the following insurance coverages throughout the term of any service agreement with the City, and shall provide current certificates of insurance to the City Administrator annually and upon request:

- Commercial General Liability: not less than \$1,000,000 per occurrence / \$2,000,000 aggregate
- Professional Liability (Errors & Omissions): not less than \$1,000,000 per claim
- Cyber Liability / Technology Errors & Omissions: not less than \$1,000,000 per occurrence, covering data breach notification costs, cyber extortion, and third-party liability arising from a security incident
- Workers' Compensation as required by Wisconsin law

The City of Amery shall be named as an additional insured on all applicable policies. Any material reduction in coverage shall be reported to the City Administrator within 10 business days.

**Vendor and Contract Oversight:**

The City Administrator is responsible for monitoring the performance of the IT Service Provider in accordance with the terms of the applicable service contract. Concerns regarding the IT Service Provider's performance shall be addressed through the contract's established dispute resolution process. Nothing in this policy shall be construed to expand the authority or obligations of the IT Service Provider beyond what is defined in the executed service agreement.

**Documentation:**

All actions taken under this policy — including system requests, approvals, change records, and retirement decisions — shall be documented and retained by the City Administration Department in accordance with applicable Wisconsin public records laws. The IT Service Provider shall supply documentation as required to support this obligation.

**Review and Updates:**

This policy shall be reviewed annually and updated as necessary. Amendments require approval by the City Administrator and, where applicable, the City Council.

**Approved by:**

\_\_\_\_\_  
Alex Mansfield, City Administrator

\_\_\_\_\_  
Date

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*Developed: March 2026*  
*Adopted: \_\_\_\_\_ 2026*

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# CITY OF AMERY

## FINANCIAL POLICIES/PROCEDURES

### *Fraud Prevention & Whistleblower Policy*

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## City of Amery

### Fraud Prevention & Whistleblower Policy

#### **Purpose:**

The City of Amery is committed to the highest standards of integrity, accountability, and responsible stewardship of public funds. The purpose of this policy is to (1) establish the City's position on fraud, waste, and abuse of public resources; (2) define what constitutes fraudulent or dishonest conduct; (3) establish procedures for reporting suspected fraud; and (4) protect employees and others who report suspected misconduct in good faith from retaliation.

#### **Scope:**

This policy applies to all City of Amery employees (full-time, part-time, and temporary), elected and appointed officials, volunteers, vendors, contractors, and any other individuals who interact with City assets, funds, or operations.

#### **Policy Statement:**

The City of Amery maintains a zero-tolerance position with respect to fraud, theft, and dishonest conduct. Any employee or official found to have committed fraudulent acts will be subject to disciplinary action up to and including termination of employment, and the City will pursue all available civil and criminal remedies. The City Council and City Administrator are responsible for establishing a culture of ethical conduct and for ensuring this policy is communicated to all staff.

#### **Definitions:**

- **Fraud:** An intentional act involving deception, misrepresentation, or concealment undertaken for personal gain or to harm the City. Examples include: misappropriation or theft of City funds, property, or assets; falsification of financial records, timesheets, expense reports, or official documents; unauthorized use of City credit cards, accounts, or purchasing authority; submission of false claims for reimbursement; acceptance of unauthorized payments, kickbacks, or bribes; and intentional misrepresentation of facts in grant applications or financial reporting.
- **Waste:** The extravagant, careless, or needless expenditure of City funds or resources, or the consumption of City property that results from deficient practices or controls, even if not intentional.
- **Abuse:** Behavior by a City employee or official that is deficient or improper compared to a reasonable standard of conduct, including misuse of position or authority for personal benefit or the benefit of others.
- **Whistleblower:** Any person who reports a good-faith concern about suspected fraud, waste, abuse, or other misconduct under this policy.

#### **Responsibilities:**

##### **City Administrator:**

- Serve as the primary point of contact for fraud reports under this policy.
- Oversee investigations of suspected fraud in coordination with the City Attorney and, where appropriate, law enforcement.
- Report confirmed or substantiated fraud findings to the City Council.
- Ensure this policy is reviewed annually and that staff are trained on its provisions.

**Clerk-Treasurer:**

- Maintain financial controls consistent with this policy and the City's Investment, Fund Balance, and Purchasing policies.
- Report to the City Administrator any anomalies or transactions that cannot be reconciled or that suggest unauthorized activity.

**Department Heads:**

- Model ethical conduct and reinforce this policy with department staff.
- Report any suspected fraudulent activity to the City Administrator immediately.

**All Employees and Officials:**

- Act with integrity in all dealings involving City resources.
- Report suspected fraud, waste, or abuse promptly using the procedures in this policy.
- Cooperate fully with any investigation conducted under this policy.

**Reporting Suspected Fraud:**

Any person who suspects fraud, theft, waste, or abuse of City resources is strongly encouraged to report their concern promptly. Reports may be made through any of the following channels:

**1. City Administrator**

- In person, by phone, or in writing to:
- Alex Mansfield, City Administrator
- 104 Maple Street West – Suite A, Amery, WI 54001
- (715) 268-3411

**2. City Attorney (Confidential Channel)**

- If the suspected fraud involves the City Administrator, or if the reporting person is not comfortable reporting to the City Administrator, reports may be made directly and confidentially to the City Attorney. Contact information for the City Attorney is available from City Hall.

**3. City Council**

- If the suspected fraud involves senior leadership, reports may be made in writing to the Mayor or any City Council member.

**4. Law Enforcement**

- Any person may report suspected criminal conduct directly to the Amery Police Department or the Polk County Sheriff's Office at any time. Nothing in this policy is intended to discourage direct contact with law enforcement.

Reports may be made anonymously; however, anonymous reports may be more difficult to investigate. Individuals are encouraged to provide their contact information so that investigators can follow up if needed. Providing false information knowingly is itself a violation of this policy.

**Investigation Procedures:**

1. Upon receipt of a fraud report, the City Administrator will conduct a preliminary assessment within 10 business days to determine whether the reported conduct warrants a formal investigation. In the event of a fraud report regarding the City Administrator, the Mayor and Council will coordinate with a third-party investigator to conduct the assessment. Based on the investigation, the Mayor and Council will discuss how to proceed.

2. Formal investigations will be conducted by the City Administrator in coordination with the City Attorney. The City may engage an independent auditor, forensic accountant, or other outside expert where warranted by the complexity or seriousness of the allegation.
3. The subject of a complaint will not be informed of the identity of the reporting person without that person's consent, to the extent permitted by Wisconsin Public Records Law (Wis. § 19.31 et seq.).
4. If there is reason to believe a criminal act has occurred, the City Administrator shall refer the matter to the appropriate law enforcement agency and to the Wisconsin Department of Justice if required.
5. Investigations shall be conducted with due respect for the rights of all persons involved, including the accused, and findings shall not be disclosed beyond those with a need to know until the investigation is complete.
6. The City Council shall be notified of the existence of a formal investigation and shall receive a summary of findings upon conclusion.

**Anti-Retaliation / Whistleblower Protections:**

The City of Amery strictly prohibits retaliation against any employee, official, or other person who in good faith reports a suspected violation of this policy, participates in an investigation, or refuses to participate in conduct they reasonably believe to be fraudulent or unlawful.

Prohibited retaliatory actions include but are not limited to: termination, demotion, suspension, reduction in pay or hours, reassignment, harassment, intimidation, or any other adverse employment action taken because of a good-faith report or participation in an investigation.

Employees who believe they have experienced retaliation for reporting suspected misconduct should report the retaliation to the City Administrator or City Attorney immediately. Wisconsin Statutes § 895.65 provides additional whistleblower protections for employees of local governmental units; employees are encouraged to consult with the City Attorney or their own legal counsel regarding these rights.

Knowingly filing a false report of fraud under this policy is a violation of this policy and may result in disciplinary action.

**Preventive Controls:**

The City will maintain the following controls to prevent and detect fraud, consistent with applicable financial policies:

- Segregation of duties to the extent practicable given staffing levels, with compensating controls (City Council review, external audit) where full segregation is not possible.
- Dual authorization for disbursements exceeding \$5,000 — requiring both the Clerk-Treasurer and City Administrator to approve.
- Regular review of bank reconciliations by the City Administrator.
- Periodic review of user access rights in financial systems to ensure only authorized personnel have access to payment, payroll, and ledger functions.
- Annual review of fidelity bond and employee dishonesty insurance coverage to confirm adequacy relative to cash and assets handled, as required by Wisconsin § 62.09(10).
- Annual independent audit of City financial statements, with the auditor's management letter reviewed by the City Council.

**Training:**

All City employees shall receive training on this policy upon hire and at least every two years thereafter. The City Administrator shall incorporate fraud prevention awareness into regular staff communications, particularly regarding purchase card use, expense reporting, and financial system access.

**Record Retention:**

All reports, investigation records, and related documentation shall be retained in accordance with Wisconsin's municipal records retention schedule and shall be treated as confidential to the extent permitted by law.

**Review:**

This policy shall be reviewed annually by the City Administrator and presented to the City Council for reaffirmation at least every three years or following any substantiated fraud incident.

**Approved by:**

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Date

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*Developed: March 2026*

*Adopted: \_\_\_\_\_ 2026*