

CITY OF RICHLAND CENTER - AGENDA ITEM DATA SHEET

Agenda Item: An Ordinance Amending Chapter 42 of the Code of Ordinances of the City of Richland Center, Wisconsin Related to the City Treasurer Bonding Requirements

Committee Review: Personnel & Insurance on 11/17/2025

Council Meeting Date: 12/2/2025

Requested by: Ashley Oliphant, City Administrator

Background: This proposed ordinance amends Chapter 42 of the Code of Ordinances to formally elect the option provided under Wisconsin Statute § 70.67(2). This section permits the City to legally waive the requirement that the City Treasurer execute and deliver a specific tax collection surety bond to the County Treasurer. In adopting this ordinance, the City of Richland Center is officially assuming direct liability for the statutory function of the Treasurer's office regarding the remittance of taxes.

Rationale for request:

1. By waiving the bond, the City eliminates the recurring annual cost associated with purchasing and renewing the external surety bond.
2. While a minor expense, the cost of surety bond premiums can fluctuate annually based on market conditions and/or the Treasurer's personal credit history. Electing the ordinance provides fixed cost savings and eliminates this variable budget expense.
3. This waiver eliminates the need for the Treasurer and staff to handle annual bond applications, renewals, and external underwriting paperwork, freeing up administrative time.
4. Wis. Stat. § 70.67 is explicitly designed to allow municipalities to make this election, recognizing that internal financial controls and other insurance coverage provide sufficient protection.

While the City assumes the risk of non-payment of taxes, this decision is made with the understanding that:

- The City's existing internal financial controls (including annual audits, cash reconciliation procedures, and segregation of duties) serve as the primary defense against financial loss.
- The City Treasurer is still required to hold a general official bond (under Wis. Stat. § 19.01), which, according to statute, will extend to and include the liability assumed by the City under this waiver.
- The City also maintains Crime/Fidelity insurance policies to protect against loss due to employee dishonesty or fraud.

Financial Impact: Annual savings of \$350 or more

Funding Source: Not Applicable

Requested Action:

Personnel & Insurance Committee: Motion to recommend to the Common Council the adoption of Ordinance No. 2025-TBD, an ordinance amending Chapter 42 of the Code of Ordinances to create Section 42.11(6) relating to the City Treasurer's bonding requirements, thereby formally electing to waive the bond provided for by Wis. Stat. § 70.67(1) in favor of the City of Richland Center assuming direct liability for the payment of all taxes required to be remitted to the County Treasurer.

Council: Motion to adopt Ordinance No. 2025-TBD, entitled, "AN ORDINANCE AMENDING CHAPTER 42 OF THE CODE OF ORDINANCES OF THE CITY OF RICHLAND CENTER, WISCONSIN, RELATED TO THE CITY TREASURER BONDING REQUIREMENTS," thereby waiving the statutory bond requirement under Wis. Stat. § 70.67(1) and directing the City Clerk to file a certified copy of the adopted ordinance with the County Treasurer as required by law.

Attachment(s): Ordinance 2025-TBD