

ADMINISTRATIVE

§1-901

Article 9. Fiscal Management

§1-902

§1-901 FISCAL MANAGEMENT; FINANCIAL STATEMENT. The Mayor and Council shall have cause to be published semiannually a statement of the receipts of the City and an itemized account of the expenditures of the City. (Ref. 16-722 RS Neb.)

§1-902 FISCAL MANAGEMENT; PROPOSED BUDGET STATEMENT; CONTENTS; AVAILABILITY; CORRECTION.

(A) The Governing Body shall annually prepare a proposed budget statement on forms prescribed and furnished by the Auditor of Public Accounts. The proposed budget statement shall be made available to the public prior to publication of the notice of the hearing on the proposed budget statement. A proposed budget statement shall contain the following information, except as provided by state law:

(1) For the immediately preceding fiscal year, the revenue from all sources, including motor vehicle taxes, other than revenue received from personal and real property taxation, allocated to the funds and separately stated as to each such source: The unencumbered cash balance at the beginning and end of the year; the amount received by taxation of personal and real property; and the amount of actual expenditures;

(2) For the current fiscal year, actual and estimated revenue from all sources, including motor vehicle taxes, allocated to the funds and separately stated as to each such source: The actual unencumbered cash balance available at the beginning of the year; the amount received from personal and real property taxation; and the amount of actual and estimated expenditures, whichever is applicable. Such statement shall contain the cash reserve for each fiscal year and shall note whether or not such reserve is encumbered. Such cash reserve projections shall be based upon the actual experience of prior years. The cash reserve shall not exceed 50% of the total budget adopted exclusive of capital outlay items;

(3) For the immediately ensuing fiscal year, an estimate of revenue from all sources, including motor vehicle taxes, other than revenue to be received from taxation of personal and real property, separately stated as to each such source: The actual or estimated unencumbered cash balances, whichever is applicable, to be available at the beginning of the year; the amounts proposed to be expended during the year; and the amount of cash reserve, based on actual experience of prior years, which cash reserve shall not exceed 50% of the total

budget adopted exclusive of capital outlay items;

(4) A statement setting out separately the amount sought to be raised from the levy of a tax on the taxable value of real property (a) for the purpose of paying the principal or interest on bonds issued by the Governing Body and (b) for all other purposes;

(5) A uniform summary of the proposed budget statement, including each proprietary function fund included in a separate proprietary budget statement prepared pursuant to the Municipal Proprietary Function Act, and a grand total of all funds maintained by the Governing Body; and

(6) A list of the proprietary functions which are not included in the budget statement.

Such proprietary functions shall have a separate budget statement which is approved by the Governing Body as provided in the Municipal Proprietary Function Act.

(B) The actual or estimated unencumbered cash balance required to be included in the budget statement by this section shall include deposits and investments of the municipality as well as any funds held by the County Treasurer for the municipality and shall be accurately stated on the proposed budget statement.

(C) The municipality shall correct any material errors in the budget statement detected by the Auditor of Public Accounts or by other sources. (Neb. RS 13-504)

(D) The estimated expenditures plus the required cash reserve for the ensuing fiscal year less all estimated and actual unencumbered balances at the beginning of the year and less the estimated income from all sources, including motor vehicle taxes, other than taxation of personal and real property shall equal the amount to be received from taxes, and such amount shall be shown on the proposed budget statement pursuant to this section. The amount to be raised from taxation of personal and real property, as determined above, plus the estimated revenue from other sources, including motor vehicle taxes, and the unencumbered balances shall equal the estimated expenditures, plus the necessary required cash reserve, for the ensuing year. (Neb. RS 13-505) (Ord. No. 1414 08/18/98; Ord. No. 1559, 05/06/03)

§1-903 FISCAL MANAGEMENT; PROPOSED BUDGET STATEMENT; HEARING; ADOPTION; CERTIFICATION OF AMOUNT TO BE RECERVED FROM TAXATION.

(A) The Governing Body shall each year conduct a public hearing on its proposed budget statement. Notice of the place

and time of the hearing, together with a summary of the proposed budget statement, shall be published at least five days prior to the date set for the hearing in a newspaper of general circulation within the municipality.

(B) After the hearing, the proposed budget statement shall be adopted, or amended and adopted as amended, and a written record shall be kept of such hearing. The amount to be received from personal and real property taxation shall be certified to the levying board after the proposed budget statement is adopted or is amended and adopted as amended. The certification of the amount to be received from personal and real property taxation shall specify separately (1) the amount to be applied to the payment of principal or interest on bonds issued by the Governing Body and (2) the amount to be received for all other purposes.

(C) If the adopted budget statement reflects a change from that shown in the published proposed budget statement, a summary of such changes shall be published within 20 days after its adoption in the manner provided in this section, but without provision for hearing, setting forth the items changed and the reasons for such changes.

(Neb. RS 13-506)

(D) When a levy increase has been authorized by vote of the electors, the adopted budget statement shall indicate the amount of the levy increase. (Neb. RS 13-507) (Ord. No. 1415 08/18/98; Ord. No. 1560; 05/06/03)

§1-904 FISCAL MANAGEMENT; ADOPTED BUDGET STATEMENT; FILING; CERTEFICATION OF AMOUNT OF TAX. The Governing Body shall file with and certify to the levying board on or before September 20 of each year, and file with the Nebraska State Auditor a copy of the adopted budget statement, together with the amount to be levied, setting out separately the amount to be levied for the payment of principal or interest on bonds issued by the Governing Body and the amount to be levied for all other purposes. Proof of publication shall be attached to the statements. The Governing Body, shall not certify any tax that exceeds the maximum levy prescribed by State law, except that in certifying the amount to be so levied, allowance may be made for delinquent taxes not exceeding five percent (5%) of the amount to be levied plus the actual percentage of delinquent taxes for the preceding tax year and for the amount of estimated tax loss from any pending or anticipated litigation which involves taxation and in which tax collections have been or can

be withheld or escrowed by court order. (Ref. 13-508 RS Neb.) (Ord. No. 1416 08/18/98) (Ord. No. 1554; 04/01/03)

§1-904.01 FISCAL MANAGEMENT; EXPENDITURES PRIOR TO ADOPTION OF BUDGET.

(1) On and after the first day of its fiscal year in 1993 and of each succeeding year and until the adoption of the budget by the Governing Body in September, the Governing Body may expend any balance of cash on hand for the current expenses of the Municipality. Except as provided in subsection (2) of this section, such expenditures shall not exceed an amount equivalent to the total amount expended under the last budget in the equivalent period of the prior budget year. Such expenditures shall be charged against the appropriations for each individual fund or purpose as provided in the budget when adopted.

(2) The restriction on expenditures in subsection (1) of this section may be exceeded upon the express finding of the Governing Body that expenditures beyond the amount authorized are necessary to enable the Municipality to meet its statutory duties and responsibilities. The finding and approval of the expenditures in excess of the statutory authorization shall be adopted by the Governing Body in open public session. Expenditures authorized by this section shall be charged against appropriations for each individual fund or purpose as provided in the budget when adopted, and nothing in this section shall be construed to authorize expenditures by the Municipality in excess of that authorized by any other statutory provision. (Ref, 13-509.01, 13-509.02 RS Neb.)

§1-904.02 FISCAL MANAGEMENT; PROPERTY TAX LEVY; MAXIMUM AUTHORITY TO EXCEED.

(A) Property tax levies for the support of the city for fiscal years beginning on or after July 1, 1998, shall be limited to the amounts set forth in this division (A), except as provided in division (C). The city may levy a maximum levy of \$0.45 per \$100 of taxable valuation of property subject to the levy plus an additional \$0.05 per \$100 of taxable valuation to provide financing for the city's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to Neb. RS 51-201, museum pursuant to Neb. RS 51-501, visiting community nurse, home health nurse, or home health agency pursuant to Neb. RS 71-1637, or statue, memorial, or monument pursuant to Neb. RS 80-202. Property tax levies for

judgments, except judgments or orders from the Commission of Industrial Relations, obtained against the city which require or obligate the city to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of the city, for preexisting lease purchase contracts approved prior to July 1, 1998, for bonded indebtedness approved according to law and secured by a levy on property, and for payments by a public airport to retire interest-free loans from the Department of Aeronautics in lieu of bonded indebtedness at a lower cost to the public airport are not included in the levy limits established by this division (A). The limitations on tax levies provided in this division (A) are to include all other general or special levies provided by law. Notwithstanding other provisions of law, the only exceptions to the limits in this division (A) are those provided by or authorized by this section. Tax levies in excess of the limitations in this section shall be considered unauthorized levies under Neb. RS 77-1606 unless approved under division (C). (Neb. RS 77-3442)

(B) (1) All city airport authorities established under the Cities Airport Authorities Act, community redevelopment authorities established under the Community Development Law, and offstreet parking districts established under the Offstreet Parking District Act may be allocated property taxes as authorized by law which are authorized by the city and are counted in the municipal levy limit provided by division (A), except that such limitation shall not apply to property tax levies for preexisting lease purchase contracts approved prior to July 1, 1998, for bonded indebtedness approved according to law and secured by a levy on property, and for payments by a public airport to retire interest-free loans from the Department of Aeronautics in lieu of bonded indebtedness at a lower cost to the public airport. For offstreet parking districts established under the Offstreet Parking District Act, the tax shall be counted in the allocation by the city proportionately, by dividing the total taxable valuation of the taxable property within the district by the total taxable valuation of the taxable property within the city multiplied by the levy of the district. The City Council shall review and approve or disapprove the levy request of the political subdivisions subject to this division (B). The City Council may approve all or a portion of the levy request and may approve a levy request that would allow a levy greater than that permitted by law. The levy allocated by the city may be exceeded as provided in division (C).

(2) On or before August 1, all political subdivisions subject to municipal levy authority under this division (B) shall submit a preliminary request for levy allocation to the City Council. The preliminary request of the political subdivision shall be in the form of a resolution adopted by a majority vote of members present of the political subdivision's governing body. The failure of a political subdivision to make a preliminary request shall preclude such political subdivision from using procedures set forth in Neb. RS 77-3444 to exceed the final levy allocation as determined in this division (B).

(3) (a) The City Council shall:

(i) Adopt a resolution by a majority vote of members present which determines a final allocation of levy authority to its political subdivisions; and

(ii) Forward a copy of such resolution to the chairperson of the governing body of each of its political subdivisions.

(b) No final levy allocation shall be changed after September 1 except by agreement between both the City Council and the governing body of the political subdivision whose final levy allocation is at issue.

(Neb. RS 77-3443)

(C) (1) The city may exceed the limits provided in division (A) by an amount not to exceed a maximum levy approved by a majority of registered voters voting on the issue in a primary, general, or special election at which the issue is placed before the registered voters. A vote to exceed the limits must be approved prior to October 10 of the fiscal year which is to be the first to exceed the limits.

(2) The City Council may call for the submission of the issue to the voters:

(a) By passing a resolution calling for exceeding the limits by a vote of at least 2/3 of the members of the City Council and delivering a copy of the resolution to the County Clerk or Election Commissioner of every county which contains all or part of the city; or

(b) Upon receipt of a petition by the County Clerk or Election Commissioner of every county containing all or part of the city requesting an election signed by at least 5 % of the registered voters residing in the city.

(3) The resolution or petition shall include the amount of levy which would be imposed in excess of the limits provided in division (A) and the duration of the excess levy authority. The excess levy authority shall not have a duration greater than five years. Any resolution or petition calling for

a special election shall be filed with the County Clerk or Election Commissioner no later than 30 days prior to the date of the election, and the time of publication and providing a copy of the notice of election required in Neb. RS 32-802 shall be no later than 20 days prior to the election.

(4) The County Clerk or Election Commissioner shall place the issue on the ballot at an election as called for in the resolution or petition which is at least 30 days after receipt of the resolution or petition. The election shall be held pursuant to the Election Act. For petitions filed with the County Clerk or Election Commissioner on or after May 1, 1998, the petition shall be in the form as provided in Neb. RS 32-628 through 32-631.

(5) Any excess levy authority approved under this division (C) shall terminate pursuant to its terms, on a vote of the City Council to terminate the authority to levy more than the limits, at the end of the fourth fiscal year following the first year in which the levy exceeded the limit, or as provided in division (C)(8), whichever is earliest.

(6) The City Council may pass no more than one resolution calling for an election pursuant to this division (C) during any one calendar year. Only one election may be held in any one calendar year pursuant to a petition initiated under this division (C). The ballot question may include any terms and conditions set forth in the resolution or petition and shall include the language specified in Neb. RS 77-3444.

(7) If a majority of the votes cast upon the ballot question are in favor of such tax, the County Board shall authorize a tax in excess of the limits in division (A), but such tax shall not exceed the amount stated in the ballot question. If a majority of those voting on the ballot question are opposed to such tax, the City Council shall not impose such tax.

(8) (a) The city may rescind or modify a previously approved excess levy authority prior to its expiration by a majority of registered voters voting on the issue in a primary, general, or special election at which the issue is placed before the registered voters. A vote to rescind or modify must be approved prior to October 10 of the fiscal year for which it is to be effective.

(b) The City Council may call for the submission of the issue to the voters:

(i) By passing a resolution calling for the rescission or modification by a vote of at least 2/3 of the members of the City Council and delivering a copy of the

resolution to the County Clerk or Election Commissioner of every county which contains all or part of the city; or

(ii) Upon request of a petition by the County Clerk or Election Commissioner of every county containing all or part of the city requesting an election signed by at least 5% of the registered voters residing in the city.

(c) The resolution or petition shall include the amount and the duration of the previously approved excess levy authority and a statement that either such excess levy authority will be rescinded or such excess levy authority will be modified. If the excess levy authority will be modified, the amount and duration of such modification shall be stated. The modification shall not have a duration greater than five years. The County Clerk or Election Commissioner shall place the issue on the ballot at an election as called for in the resolution or petition which is at least 30 days after receipt of the resolution or petition, and the time of publication and providing a copy of the notice of election required in Neb. RS 32-802 shall be no later than 20 days prior to the election. The election shall be held pursuant to the Election Act. (Neb. RS 77-3444) (*Ref. 77-3442 through 77-3444 RS Neb.*) (*Ord. No. 1410; 08/18/98*) (*Ord. No. 1557; 04/15/03*)

§1-904.03 FISCAL MANAGEMENT; PROPERTY TAX LEVY AND REQUEST; AUTHORITY TO SET.

(A) The property tax request for the prior year shall be the property tax request for the current year for purposes of the levy set by the County Board of Equalization in Neb. RS 77-1601 unless the City Council passes by a majority vote a resolution or ordinance setting the tax request at a different amount. Such resolution or ordinance shall only be passed after a special public hearing called for such purpose is held and after notice is published in a newspaper of general circulation in the area of the municipality at least five days prior to the hearing.

(B) The hearing notice shall contain the following information:

(1) The dollar amount of the prior year's tax request and the property tax rate that was necessary to fund that tax request;

(2) The property tax rate that would be necessary to fund last year's tax request if applied to the current year's valuation; and

(3) The proposed dollar amount of the tax request for the current year and the property tax rate that will be necessary to fund that tax request.

(C) Any resolution setting a tax request under this section shall be certified and forwarded to the County Clerk prior to October 14 of the year for which the tax request is to apply.

(D) Any tax levy which is not in compliance with this section and Neb. RS 77-1601 shall be construed as an unauthorized levy under Neb. RS 77-1606. (Neb. RS 77-1601.02) (Ref. 16-702 RS Neb.) (Ord. No. 1417 08/18/98; (Ord. No. 1558, 04/15/03)

§1-905 FISCAL MANAGEMENT; PROPERTY TAX; POWER TO LEVY;

CERTIFICATION OF AMOUNT OF TAX. (1) Subject to the limits in section 77-3442 RS Neb., the Mayor and City Council shall have the power to levy and collect taxes for all Municipal purposes on the taxable property within the corporate limits of the Municipality. All Municipal taxes, except special assessments otherwise provided for, shall become due on the first (1st) day of December of each year.

(2) At the time provided for by law, the Council shall cause to be certified to the County Clerk the amount of tax to be levied for the purposes of the adopted budget statement on the taxable property within the Municipality for the year then ensuing, as shown by the assessment roll for such year, including all special assessments and taxes assessed as otherwise provided.

(3) The maximum amount of tax which may be certified, assessed, and collected for purposes of the adopted budget statement shall not require a tax levy in excess of the amounts specified in section 16-702 RS Neb.

(4) Nothing in this section shall be construed to authorize an increase in the amounts of levies for any specific municipal purpose or purposes elsewhere limited by law, whether limited in specific sums or by tax levies. (Ref. 16-702 RS Neb.) (Ord. No. 1417 08/18/98)

§1-905.01 FISCAL MANAGEMENT; ALL-PURPOSE LEVY; ALLOCATION; ABANDONMENT; EXTRAORDINARY LEVIES.

(1) The Governing Body has decided to certify to the County Clerk for collection one all-purpose levy required to be raised by taxation for all municipal purposes instead of certifying a schedule of levies for specific purposes added together. Subject to the limits in section 77-3442 RS Neb., the all-purpose levy shall not exceed the annual

levy specified in section 19-1309 RS Neb. to be levied upon the taxable valuation of all taxable property in the Municipality.

(2) The amount of the all-purpose levy shall be certified as a single amount for general fund purposes. The Governing Body shall allocate the amount raised by the all-purpose levy to the several departments of the Municipality in its annual budget and appropriation ordinance, or in other legal manner, as the Governing Body deems wisest and best.

(3) The Municipality shall be bound by its election to follow the all-purpose levy method during the ensuing fiscal year but may abandon such method in succeeding fiscal years.

(4) Otherwise authorized extraordinary levies to service and pay bonded indebtedness of the Municipality may be made by the Municipality in addition to the all-purpose levy. (Ref. 19-1309 through 19-1312 RS Neb.)(Ord. 1408 8/18/98)

§1-906 FISCAL MANAGEMENT APPROPRIATIONS. The City shall adopt a budget statement pursuant to the Nebraska Budget Act, to be termed "the Annual Appropriation Bill", in which are appropriated such sums of money as may be deemed necessary to defray all necessary expenses and liabilities of the City. (Ref. 16-704 RS Neb.)

§1-907 FISCAL MANAGEMENT; EXPENDITURES. The Governing Body shall not have the power to appropriate, issue, or draw any order or warrant on the Municipal Treasurer for money, unless the same has been appropriated or ordered by ordinance or the claim has been allowed and a fund has been provided in the adopted budget statement out of which such claim is payable. (Ref. 16-706, 16-726 through 16-729 RS Neb.)

§1-908 FISCAL MANAGEMENT, JUDGMENTS. Should any judgment be obtained against the Municipality, the Mayor and the committee on finances, with the sanction of the City Council, may borrow a sufficient amount to pay the same for a period of time not to extend beyond the close of the next fiscal year. The Governing Body shall then add to the amount authorized to be raised in the general tax levy the sum and interest accrued of the judgment. (Ref. 16-706 RS Neb.)

§1-909 FISCAL MANAGEMENT LAWFUL TRANSFERS. Any transfer or division of the money or credits from any of the funds to another fund or to a purpose other than for which proposed, except as specifically hereinafter provided, shall render any Councilmember voting therefor or any Municipal official participating therein guilty of a misdemeanor. (Ref. 16-706 RS Neb.)

§1-910 FISCAL MANAGEMENT; LAWFUL TRANSFER OF FUNDS. When the City Council, by a three-fourths (3/4) vote of the members, shall declare the expenditure of any fund for the purpose for which it was created to be unwise and impracticable or where the purpose has been fully accomplished and the whole fund or an unexpired balance thereof remains, and no indebtedness has been incurred on account of such fund which has not been fully paid, such fund may be transferred to any other fund of the Municipality by the affirmative vote of three-fourths (3/4) of all the members of the Council. (Ref. 16-721 RS Neb.)

§1-911 FISCAL MANAGEMENT; INSUFFICIENT FUNDS. The Governing Body may, whenever during the current fiscal year it becomes apparent due to unforeseen emergencies that there is temporarily insufficient money in a particular fund to meet the requirements of the adopted budget of expenditures for that fund, the governing body may by a majority vote, unless otherwise provided by state law, transfer money from other funds to such fund. No expenditure during the fiscal year shall be made in excess of the amounts indicated in the adopted budget statement, except as authorized herein. If, as the result of unforeseen circumstances, the revenue of the current fiscal year shall be insufficient, the Governing Body may propose to supplement the previously adopted budget statement and shall conduct a public hearing at which time any taxpayer may appear, or file a written statement protesting the application for additional money. A written record shall be kept of all such hearings. Notice of a place and time for the said hearing shall be published at least five (5) days prior to the date set for the hearing in a newspaper of general circulation in the Municipality. The published notice shall set forth the time and place of the proposed hearing, the amount in dollars of additional or reduced money required and for what purpose, a statement setting forth the nature of the unanticipated circumstances and, if the budget requirements are to be increased, the reasons why the previously adopted budget of expenditures cannot be reduced during the remainder of the current year to meet the need for additional

money in that manner and a copy of the summary of the originally adopted budget previously published. Upon the conclusion of the public hearing on the proposed supplemental budget and the approval of the Governing Body, the Governing Body shall file with the County Clerk and the Nebraska State Auditor, a copy of the revised budget, as adopted, and shall certify the revised amount of tax to be levied. The Governing Body may then issue warrants in payment for expenditures authorized by the adopted revised budget. The warrants shall be referred to as "registered warrants" and shall be repaid during the next fiscal year from funds derived from taxes levied therefor. (Ref. 13-510, 13-511 RS Neb.)

§1-912 FISCAL MANAGEMENT, SINKING FUNDS. The Governing Body, subject to the limitations set forth herein, shall have the power to levy a tax not to exceed three (3) mills on the dollar in any one year law upon the assessed value of all taxable property within the Municipality, except intangible property. for a term not to exceed ten (10) years in addition to the amount of tax which may be annually levied for the purposes of the adopted budget statement of the Municipality, for the purpose of establishing a sinking fund for the construction, purchase, improvement, extension, or repair of the approved uses as authorized by State law. To initiate the said sinking fund, the Governing Body shall declare its purpose by resolution to submit to the qualified electors of the Municipality the proposition to provide the improvement at the next general Municipal election. The resolution shall set forth the improvement, the estimated cost, the amount of the annual levy, the number of years required to provide the required revenue, the name of the sinking fund proposed, and the proposition as it will appear on the ballot. Notice of the said proposition shall be published in its entirety three (3) times on successive weeks before the day of the election in a legal newspaper of general circulation in the Municipality. The sinking fund may be established after the election if a majority or more of the legal votes were in favor of the establishment of the fund. The Governing Body may then proceed to establish the said fund in conformity with the provisions of the proposition, and applicable State law. The funds received by the Municipal Treasurer shall, as they accumulate, be immediately invested with the written approval of the Governing Body in the manner

provided by State law. No sinking fund so established shall be used for any purpose or purposes contrary to the purpose as it appeared on the ballot unless the Governing Body is authorized to do so by sixty percent (60%) of the qualified electors of the Municipality voting at a general election favoring such a change in the use of the sinking fund. (*Ref. 19-1301 through 19-1304, 77-2337, 77-2339 RS Neb.*)

§1-913 FISCAL MANAGEMENT; DEPOSITORIES. (1) The Municipal Treasurer shall deposit, and at all times keep on deposit, for safe-keeping, in banks or capital stock financial institutions of approved and responsible standing, all money collected, received, or held by him or her as Municipal Treasurer. Such deposits shall be subject to all regulations imposed by law or adopted by the City Council for the receiving and holding thereof. The fact that a stockholder, director, or other officer of such bank or capital stock financial institution shall also be serving as Mayor, as a member of the City Council, or as any other officer of such Municipality, shall not disqualify such bank or capital stock financial institution from acting as a depository for such Municipal funds. The provisions of section 77-2366 RS Neb. shall apply to deposits in capital stock financial institutions.

(2) The Municipal Treasurer may deposit the funds received and held by him or her, by virtue of such office, with a cooperative credit association situated within the boundaries of the county, or a county adjoining thereto, where the Municipality is situated, if the Municipality is the depositor, as well as in a commercial state or national bank if the cooperative credit association performs all the conditions precedent required by the laws of this State of commercial state and national banks to qualify them to receive deposits of such public funds, It shall not be necessary for the Municipality, in making such a deposit of public funds, to purchase shares in such cooperative credit association or become a member thereof, and such a cooperative credit association is hereby authorized and empowered to receive such money under such conditions. (*Ref. 16-712. 21-1316.01 RS Neb.*) (*Ord. No. 1419 09/01/98*)

§1-914 FISCAL MANAGEMENT; CERTIFICATES OF DEPOSIT; TIME DEPOSITS; SECURITY REQUIRED. The Municipal Treasurer may, upon resolution of the Mayor and Council authorizing the same, purchase certificates of deposit from and make time deposits in banks or capital stock financial institutions selected as depositories of Municipal funds under provisions of this Code.

The certificates of deposit purchased and time deposits made shall bear interest and shall be secured as set forth in this Code, except that the penal sum of the required bond or the sum of the required security shall be reduced in the amount of the time deposit or certificate of deposit insured by the Federal Deposit Insurance Corporation. The provisions of section 77-2366 RS Neb. shall apply to deposits in capital stock financial institutions. (Ref. 16-713 RS Neb.) (Ord. No. 1420 09/01/98)

§1-915 FISCAL MANAGEMENT; DEPOSITORY BOND. (1) For the security of the fund so deposited, the Municipal Treasurer shall require each depository to give bond for the safekeeping and payment of such deposits and the accretions thereof, which bond shall run to the City and be approved by the Mayor. Such bond shall be conditioned that such a depository shall, at the end of every quarter, render to the Treasurer a statement in duplicate, showing the several daily balances, the amount of money of the City held by it during the quarter, the amount of the accretion thereto, and how credited. The bond shall also be conditioned that the depository shall generally do and perform whatever may be required by the provisions of this Code and faithfully discharge the trust reposed in such depository. Such bond shall be as nearly as practicable in the form provided in section 77-2304 RS Neb. No person in any way connected with any depository as an officer or stockholder shall be accepted as a surety on any bond given by the depository of which he or she is an officer or stockholder. Such bond shall be deposited with the Municipal Clerk. The provisions of section 77-2366 RS Neb. shall apply to deposits in capital stock financial institutions.

(2) The insurance afforded to depositors in banks or capital stock financial institutions through the Federal Deposit Insurance Corporation shall be deemed and construed to be a surety bond to the extent that the deposits are insured by such corporation. For deposits so insured, no other surety bond or other security shall be required. (Ref. 16-714. 77-2362 through 77-2364 RS Neb.) (Ord. No. 1421 09/01/98)

§1-916 FISCAL MANAGEMENT; DEPOSITORY SECURITIES. In lieu of the bond required by this Code, any bank or capital stock financial institution making application to become a depository may give security as provided in the Public Funds Deposit Security Act to the Municipal Clerk. The penal sum of the bond shall be equal to or greater than the amount of the deposit in excess of that portion of the deposit insured by the Federal Deposit Insurance Corporation. The provisions of Section 77-2366 RS Neb. shall

apply to deposits in capital stock financial institutions. (Ref. 16-715. 77-2364, 77-2386 through 77-2397 RS Neb.) (Ord. No. 1422 09/01/98)

§1-917 FISCAL MANAGEMENT, MAXIMUM DEPOSITS. The Treasurer shall not have on deposit in any bank or capital stock financial institution at any time more than the amount insured by the Federal Deposit Insurance Corporation plus the maximum amount of the bond given by the bank or capital stock financial institution if the bank or capital stock financial institution gives a surety bond, nor in any bank or capital stock financial institution giving a personal bond, more than the amount insured by the Federal Deposit Insurance Corporation plus one-half (1/2) of the amount of the bond of such bank or capital stock financial institution, and the amount so on deposit any time with any bank or capital stock financial institution shall not in either case exceed the amount insured by the Federal Deposit Insurance Corporation plus the paid-up capital stock and surplus of such bank or capital stock financial institution. The Municipal Treasurer shall not be liable for any loss sustained by reason of the failure of any such bonded depository whose bond has been duly approved by the Mayor as provided in this Code or which has, in lieu of a surety bond, given security as provided in this Code. (Ref. 16-716 RS Neb.) (Ord. No. 1423 09/01/98)

§1-918 FISCAL MANAGEMENT; INVESTMENT OF FUNDS. Whenever the Municipality shall have accumulated a surplus in its General Fund in excess of its current needs, or shall have accumulated a sinking fund for the payment of its bonds and the money in such sinking fund shall exceed the amount necessary to pay the principal and interest of any such bonds which become due during the current year, the Mayor and Council are authorized to invest such surplus in its General Fund, in excess of current needs, or such excess in its sinking funds, in any securities in which the Board of Educational Lands and Funds of Nebraska is authorized by law to invest the educational funds of the State, including bonds and debentures issued either singly or collectively by any of the twelve (12) federal land banks, the twelve (12) intermediate credit banks, or the thirteen (13) banks for cooperatives under the supervision of the Farm Credit Administration. When any warrant of the Municipality shall have been presented for payment and the same is not paid for want of funds, the Treasurer shall, upon and under direction of the Mayor and Council, purchase and take up such registered warrant

with the sinking funds in the hands of the Treasurer and hold such warrant for the benefit of the fund so invested until the same is paid in its order, as provided by law. (Ref. 77-2341, 77-2335 RS Neb.)

§1-919 FISCAL MANAGEMENT; CLAIMS. All claims against the Municipality, including claims for personal injury but not including officers' salaries and interest upon public debts, must be filed with the Municipal Clerk. Upon the filing of any such claim, the party shall state therein his post office address; and, upon the disallowance of any such claim, it will be the duty of the Municipal Clerk to notify the claimant, his agent or attorney by letter mailed to such address within five (5) days after such disallowance. (Ref. 16-726 RS Neb.)

§1-920 FISCAL MANAGEMENT; CLAIMS; AUDITS. The Council shall, prior to the allowance of any claim against the Municipality, examine and audit the same to determine whether it is in proper form, is correctly computed and is justly and legally due and payable, and shall determine the proper fund from which the same is payable.

§1-921 FISCAL MANAGEMENT; WARRANTS. Upon allowance of a claim by the Council, the order for the payment thereof shall specify the particular fund or appropriation out of which it is payable as specified in the Annual Appropriation Bill and no order or warrant shall be drawn in excess of eighty-five percent (85%) of the current levy for the purpose of which it is drawn unless there shall be sufficient money in the Treasury to the credit of the proper fund for its payment, and no claim shall be audited or allowed except an order or warrant for the payment thereof may legally be drawn. All warrants drawn upon the Treasury must be signed by the Mayor and countersigned by the Clerk and shall state the particular fund or appropriation to which the same is chargeable, the person to whom payable, and for what particular object. No money shall be otherwise paid that has not been drawn upon such warrant. Such warrants may be delivered immediately when so drawn. (Ref. 16-718 RS Neb.)

§1-922 FISCAL MANAGEMENT, CONTRACTS; APPROPRIATION. No contract shall be made by the City Council or any committee or member thereof and no expense shall be incurred by any of the officers or departments of the Municipality, whether the object

of the expenditure is ordered by the City Council or not, unless an appropriation shall have been previously made concerning such expense, except as otherwise provided by law. (Ref. 16-501 RS Neb.)

§1-923 FISCAL MANAGEMENT; CONTRACT VOTE. On the passage or adoption of every resolution or order to enter into a contract, or accepting of work done under contract, by the Mayor or Council, the "yeas" and "nays" shall be called and entered upon the record. To pass or adopt any bylaw, ordinance, or any such resolution, or order, a concurrence of a majority of the whole number of the members elected to the Council shall be required. The Mayor may vote on any such matter when his vote shall be decisive and the Mayor shall, for the purpose of such vote, be deemed to be a member of the Council. (Ref. 16-503 RS Neb.)

§1-924 FISCAL MANAGEMENT; CONTRACTS AND PURCHASES; BIDDING AND OTHER REQUIREMENTS. (1) Except as provided in section 18-412.01 RS Neb. for a contract with a public power district to operate, renew, replace, or add to the electric distribution, transmission, or generation system of the Municipality, no contract for enlargement or general improvements, such as water extensions, sewers, public heating system, bridges, work on streets, or any other work or improvement when the cost of such improvement is assessed to the property, costing over twenty thousand dollars (\$20,000.00) shall be made unless it is first approved by the Governing Body.

(2) Except as provided in section 18-412.01 RS Neb., before the Governing Body makes any contract in excess of twenty thousand dollars (\$20,000.00) for enlargement or general improvements, such as water extensions, sewers, public heating system, bridges, work on streets or any other work or improvement when the cost of such enlargement or improvement is assessed to the property, an estimate of the cost shall be made by the Municipal Engineer and submitted to the Governing Body. In advertising for bids as provided in subsections (3) and (5) of this section, the Governing Body may publish the amount of the estimate.

(3) Advertisements for bids shall be required for any contract costing over twenty thousand dollars (\$20,000.00) entered into (a) for enlargement or general improvements, such as water extensions, sewers, public heating system, bridges, work on streets, or any other work or improvement when the cost of such enlargement or improvement is assessed to the property,

or (b) for the purchase of equipment used in the construction of such enlargement or general improvements.

(4) A Municipal Electric Utility may enter into a contract for the enlargement or improvement of the electric system or for the purchase of equipment used for such enlargement or improvement without advertising for bids if the price is: (a) Twenty thousand dollars (\$20,000.00) or less; (b) forty thousand dollars (\$40,000.00) or less and the Municipal Electric Utility has gross annual revenue from retail sales in excess of one million dollars (\$1,000,000.00); (c) sixty thousand dollars (\$60,000.00) or less and the Municipal Electric Utility has gross annual revenue from retail sales in excess of five million dollars (\$5,000,000.00); or (d) eighty thousand dollars (\$80,000.00) or less and the Municipal Electric Utility has gross annual revenue from retail sales in excess of ten million dollars (\$10,000,000.00).

(5) The advertisement provided for in subsection (3) of this section shall be published at least seven (7) days prior to the bid closing in a legal newspaper published in or of general circulation in the Municipality. In case of a public emergency resulting from infectious or contagious diseases, destructive windstorms, floods, snow, war, or an exigency or pressing necessity or unforeseen need calling for immediate action or remedy to prevent a serious loss of, or serious injury or damage to, life, health, or property, estimates of costs and advertising for bids may be waived in the emergency ordinance authorized by section 16-405 RS Neb. when adopted by a three-fourths (3/4) vote of the Governing Body and entered of record.

(6) If, after advertising for bids as provided in this section, the Governing Body receives fewer than two (2) bids on a contract or if the bids received by the Governing Body contain a price which exceeds the estimated cost, the Mayor and City Council may negotiate a contract in an attempt to complete the proposed enlargement or general improvements at a cost commensurate with the estimate given.

(7) If the materials are of such a nature that, in the opinion of the manufacturer and with the concurrence of the Governing Body, no cost can be estimated until the materials have been manufactured or assembled to the specific qualifications of the purchasing Municipality, the Governing Body may authorize the manufacture and assemblage of such materials and may thereafter approve the estimated cost expenditure when it is provided by the manufacturer.

(8) Any Municipal bidding procedure may be waived by the Governing Body (a) when materials or equipment are purchased at

the same price and from the same seller as materials or equipment which have formerly been obtained pursuant to the

State bidding procedure in sections 81-145 to 81-162 RS Neb. or (b) when the contract is negotiated directly with a sheltered workshop pursuant to section 48-1503 RS Neb.

(9) Notwithstanding any other provisions of law or a home rule charter. a Municipality which has established, by an interlocal agreement with any county, a joint purchasing division or agency may purchase personal property without competitive bidding if the price for the property has been established by the federal General Services Administration or the materiel division of the Department of Administrative Services. For purposes of this subsection:

(a) Personal property includes, but is not limited to, supplies, materials and equipment used by or furnished to any officer, office, department, institution, board or other agency; and

(b) Purchasing or purchase means the obtaining of personal property by sale, lease, or other contractual means. (*Ref. 16-321, 16-321.01. 18-1 756 RS Neb.*) (*Ord. No. 1424 09/01/98*)

§1-925 FISCAL MANAGEMENT; ANNUAL AUDIT; FINANCIAL STATEMENTS.

The Governing Body shall cause an audit of the Municipal accounts to be made by a qualified accountant as expeditiously as possible following the close of the fiscal year. Such audit shall be made on a cash or accrual method at the discretion of the Governing Body. The said audit shall be completed, and the annual audit report made not later than six (6) months after the close of the fiscal year. The accountant making the audit shall submit not less than three (3) copies of the audit report to the Governing Body. All public utilities or other enterprises which substantially generate their own revenue shall be audited separately, and the results of such audits shall appear separately in the annual audit report, and such audits shall be on an accrual basis and shall contain statements and materials which conform to generally accepted accounting principles. The audit report shall set forth the financial position and results of financial operations for each fund or group of accounts of the Municipality as well as an opinion by the accountant with respect to the financial statements. Two (2) copies of the annual audit report shall be filed with the Municipal Clerk, and shall become a part of the public records of the Municipal Clerk's office, and will at all times thereafter, be open for public inspection. One (1) copy shall be filed with the Auditor of Public Accounts. Every Governing Body that is required

herein to submit to an audit of its accounts shall provide and file with the Municipal Clerk, not later than August 1 of each year, financial statements showing its actual and budgeted figures for the most recently completed fiscal year, (*Ref. 19-2901 through 19-2909, 23-934 RS Neb.*)

§1-926 FISCAL MANAGEMENT; SURPLUS CITY PROPERTY. All departments, boards and commissions shall submit to the City Clerk of the City, quarterly, a listing of all property no longer used and which is obsolete, scrapped or overstocked. Notification and listing shall be submitted on forms provided by the City Clerk. For all property listed, a detailed description of its use, condition, quality, age and location shall be included.

Disposal of surplus property shall be accomplished by any one of the following methods, to wit:

- a. Trade-in for new merchandise;
- b. Transfer to another department;
- c. Sale by public auction or by competitive bidding.

In the event it is determined that trade-in is not to the advantage and best Interests of the City, the surplus property shall be offered to other City departments on an equal basis. Should a department advise the City Clerk of an interest in said property, the City Clerk shall place a monetary value on the equipment and if the department agrees to such value, and subject to approval of the Mayor, the equipment will be transferred.

If property is not traded or transferred to another department of the City, the property shall be offered for sale either at public auction or by competitive bid. If property has a value of more than five thousand dollars (\$5,000.00) as determined by the City Clerk, approval of the City Council should be obtained prior to its classification of excess property and its disposal. Property of the value of five thousand dollars (\$5,000.00) or more shall be disposed of strictly in accordance with Nebraska State Statutes, governing competitive bidding procedure as may be applicable.

For property valued at less than five thousand dollars (\$5,000.00) a listing of said property shall be posted monthly at the following three (3) places: City Hall, U.S. Post Office, Crete State Bank and Crete Public Library. No property shall be sold until it has been advertised for at least fifteen (15) days prior to the sale.

In addition to posting as above set forth, the City Clerk shall utilize one of the following means to advertise all

property with an estimated value of one hundred dollars (\$100.00) or more:

- a. Publication in a local newspaper;
- b. Publication in a trade publication, and if by a trade publication the property may not be sold until thirty (30) days have elapsed from the time of publication was made therein.

If it is determined to be for the best interests of the City, advertising in newspapers and/or trade magazines may also be used for property with an estimated value of one hundred dollars (\$100.00) or less.

Property may be disposed of either through public auction or through the sealed bid process. If the latter is used, opening of sealed bids shall be open to the public.

Proceeds received from the sale of surplus property shall be paid to the City Clerk-Treasurer of the City of Crete, Nebraska and shall be credited to the appropriate fund.

If after forty-five (45) days after notice and publication is made, no Interest has been shown in an item for sale by the City, it shall be disposed of in a manner deemed appropriate by the City Clerk.

Employees of the City of Crete wishing to purchase an item of surplus property in accordance with the procedures and provisions heretofore set forth shall be accorded the same privileges and consideration as the general public and in no case shall any employee of the City of Crete have any priority for an item because he or she is an employee of the City of Crete, Nebraska.

A record shall be maintained by the City Clerk of the sales, transfers and disposal of such City property. A report, not less than annually, shall be made to the Mayor and City Council by the City Clerk of all such sales, transfers and disposal of such property.

This ordinance shall not affect nor apply to the sale of Library outdated books and periodicals to the general public. The Library is hereby authorized to sell its outdated books and periodicals at such times and on such terms as determined by the Library to be in the best interest of the City. The Library is authorized to use the Friends of the Library organization to assist with the sale of said outdated books and periodicals, with the proceeds of said sales going to the Friends of the Library. All proceeds from the sale of Library outdated books and periodicals shall be used for the direct benefit of Crete Public Library.

§1-927 FISCAL MANAGEMENT; PROPRIETARY FUNCTIONS; FISCAL YEAR; BUDGET STATEMENTS; FILING; HEARING; OPTION; RECONCILIATION. (1)

Pursuant to the Municipal Proprietary Function Act, the Governing Body may prepare a proprietary budget statement for its proprietary functions separate and apart from its Municipal budget statement prepared pursuant to the Nebraska Budget Act. For purposes of this section, proprietary function shall mean a water supply or distribution utility, a wastewater collection or treatment utility, an electric generation, transmission, or distribution utility, a gas supply, transmission, or distribution utility, an integrated solid waste management collection, disposal, or handling utility, or a hospital or a nursing home owned by the Municipality.

(2) The Governing Body may establish a separate fiscal year for each proprietary function, except that any proprietary function which is subsidized by appropriations from the Municipality's general fund shall have the same fiscal year as the Municipality. For purposes of this section, subsidization shall mean that the costs of operation of a proprietary function are regularly financed by appropriations from the Municipality's general fund in excess of the amount paid by the Municipality to the proprietary function for actual service or services received.

(3) If the Municipality does not include its proprietary functions in its Municipal budget statement, a proposed proprietary statement shall be prepared in writing on forms provided by the State Auditor and filed with the Municipal Clerk, at least thirty (30) days prior to the start of the fiscal year of each proprietary function, containing the following information:

(a) For the immediate two (2) prior fiscal years, the revenue from all sources, the unencumbered cash balance at the beginning and end of the year, the amount received by taxation, and the amount of actual expenditure;

(b) For the current fiscal year, actual and estimated revenue from all sources separately stated as to each such source, the actual unencumbered cash balance available at the beginning of the year, the amount received from taxation, and the amount of actual and estimated expenditure, whichever is applicable;

(c) For the immediately ensuing fiscal year, an estimate of revenue from all sources separately stated as to each such source, the actual or estimated unencumbered cash balance, whichever is applicable, to be available at the beginning of the year, the amounts proposed to be expended during the fiscal

year, and the amount of cash reserve based on actual experience of prior years; and

(d) A uniform summary of the proposed budget statement which shall include a total of all funds maintained for the proprietary function.

Such statement shall contain the estimated cash reserve for each fiscal year and shall note whether or not such reserve is encumbered. The cash reserve projections shall be based upon the actual experience of prior years.

(4)(a) After the proposed proprietary budget statement is filed with the Municipal Clerk, the Governing Body shall conduct a public hearing on such statement. Notice of the time and place of the hearing, a summary of the proposed proprietary budget statement, and notice that the full proposed proprietary budget statement is available for public review with the Municipal Clerk during normal business hours, shall be published at least five (5) days prior to the hearing in a newspaper of general circulation within the Governing Body's jurisdiction or by mailing each resident within the Governing Body's jurisdiction.

(b) After such hearing, the proposed proprietary budget statement shall be adopted or amended and adopted as amended, and a written report shall be kept of such hearing. If the adopted proprietary budget statement reflects a change from the proposed proprietary statement presented at the hearing, a copy of the adopted proprietary budget statement shall be filed with the Municipal Clerk within twenty (20) days after its adoption and published in a newspaper of general circulation within the Governing Body's jurisdiction or by mailing to each resident within the Governing Body's jurisdiction.

(5) If the actual expenditures for a proprietary function exceed the estimated expenditures in the proprietary budget statement during its fiscal year, the Governing Body shall adopt a proprietary function reconciliation statement within ninety (90) days after the end of such fiscal year which reflects any difference between the adopted proprietary budget statement for the previous fiscal year and the actual expenditures and revenue for such fiscal year. After the adoption of a proprietary function reconciliation statement, it shall be filed with the Municipal Clerk and published in a newspaper of general circulation within the Governing Body's jurisdiction or by mailing to each resident within the Governing Body's jurisdiction. If the difference between the adopted proprietary budget for the previous fiscal year and the actual expenditures and revenues for such fiscal year is greater than ten percent

(10%), the proprietary function reconciliation statement shall only be adopted following a public hearing.

(6) Any income from a proprietary function which is transferred to the general fund of the Municipality shall be shown as a source of revenue in the Municipal budget statement created pursuant to the Nebraska Budget Act. (Ref. 18-2803 to 18-2808 RS Neb.)

§1-928 FISCAL MANAGEMENT; FISCAL YEAR. The fiscal year of the City and of any public utility of the City commences on October 1 and extends through the following September 30 except as provided in the Municipal Proprietary Function Act. (Ref. 16-701 RS Neb.)

§1-929 FISCAL MANAGEMENT; FISCAL YEAR. Public Funds shall mean all money, including non-tax money, used in the operation and functions of governing bodies. For purposes of a county, city, or village which has a lottery established under the Nebraska County and City Lottery Act, only those net proceeds which are actually received by the county, city or village from a licensed lottery operator shall be considered public funds, and public funds shall not include amounts awarded as prizes. (Ref. 13-503 RS Neb.) (Ord. No. 1273, 6/6/95)

§1-930 - Reserved For Future Use

§1-931 FISCAL MANAGEMENT; CREDIT CARDS; AUTHORITY TO ACCEPT. (1) The Governing Body may authorize municipal officials to accept credit cards, charge cards, or debit cards as a method of cash payment of any tax, levy, excise, duty, custom, toll, interest, penalty, fine, license, fee, or assessment of whatever kind or nature, whether general or special, as provided by section 77-1702 RS Neb.

(2) The total amount of such taxes, levies, excises, duties, customs, tolls, interest, penalties, fines, licenses, fees, or assessments of whatever kind or nature, whether general or special, paid for by credit card shall be collected by the municipal official.

(3) The Governing Body may choose to accept credit cards, charge cards, or debit cards as a means of cash payment to any facility it operates in a proprietary capacity and may adjust the price for services to reflect the handling and payment costs.

(4) The municipal official shall obtain, for each transaction, authorization for use of any credit card, charge

card, or debit card used pursuant to this section from the financial institution, vending service company, credit card or charge card company, or third-party merchant bank providing such service.

(5) The Governing Body may choose to accept the types of credit cards, charge cards, or debit cards accepted by and the services provided to the State pursuant to the contract entered into by the State with one or more credit card, charge card, or debit card companies or third-party merchant banks for services on behalf of the state and those political subdivisions that choose to participate in the state contract. The Governing Body may choose not to participate in the state contract and may choose types of credit cards, charge cards, and debit cards and may negotiate and contract independently or collectively as a governmental entity with one or more financial institutions, vending service companies, credit card, charge card, or debit card companies, or third-party merchant banks for the provision of such services.

(6) When authorizing acceptance of credit card or charge card payments, the Governing Body shall be authorized but not required to impose a surcharge or convenience fee upon the person making a payment by credit card or charge card so as to wholly or partially offset the amount of any discount or administrative fees charged to the Municipality. The surcharge or convenience fee shall be applied only when allowed by the operating rules and regulations of the credit card or charge card involved or when authorized in writing by the credit card or charge card company involved. When a person elects to make a payment to the Municipality by credit card or charge card and such a surcharge or convenience fee is imposed, the payment of such surcharge or convenience fee shall be deemed voluntary by such person and shall be in no case refundable. (*Ref. 13-609 RS Neb.*) (*Ord. 1411, 08/18/98*)