

CHAPTER 1

ADMINISTRATIVE

ARTICLE 8. FISCAL MANAGEMENT

1-801 FISCAL MANAGEMENT; FISCAL YEAR. The fiscal year of the Municipality for the purposes of taxation and appropriations shall begin the first (1st) day in October each year. (Ref. 17-701 RS Neb.)

1-802 FISCAL MANAGEMENT; PROPOSED BUDGET STATEMENT; CONTENTS;

FILING. The Governing Body shall prepare in writing and file with the Municipal Clerk, not later than the first (1st) day of August of each year on forms prescribed and furnished by the Auditor of Public Accounts, a proposed budget statement containing the following information, except as provided by state law:

(a) For the immediate two (2) prior fiscal years, the revenue from all sources, including motor vehicle taxes, other than revenue received from personal and real property taxation, allocated to each of the several funds and separately stated as to each such source, and for each fund; the unencumbered cash balance of such fund at the beginning and at the end of the year; the amount received by taxation of personal and real property allocated to each fund; and the amount of actual expenditure for each fund.

(b) For the current fiscal year, actual and estimated revenue from all sources, including motor vehicle taxes, allocated to each of the several funds and separately stated as to each such source, and for each fund; the actual unencumbered cash balance available for such fund at the beginning of each year; the amount received from personal and real property taxation allocated to each fund; and the amount of actual and estimated expenditure, whichever is applicable. Such statement shall contain the cash reserve for each such fund 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 fifty percent (50%) of the total budget adopted for such fund exclusive of capital outlay items;

(c) 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, to be allocated to each of the several funds, and for each fund; 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 fifty percent (50%) of the total budget adopted exclusive of capital outlay items;

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

(e) A uniform summary of the proposed budget statement which shall include a separate total for each fund, 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

(f) A list of the proprietary functions which are not included in the budget statement if a separate proprietary budget statement has been prepared for such proprietary functions pursuant to the Municipal Proprietary Function Act.

(2) The actual or estimated unencumbered cash balance of each fund 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.

(3) 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 filed 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. (Ref. 13-504, 13-505 RS Neb.)

1-803 FISCAL MANAGEMENT; PROPOSED BUDGET STATEMENT; HEARING; ADOPTION; CERTIFICATION OF AMOUNT TO BE RECEIVED FROM

TAXATION. (1) After the filing of the proposed budget statement with the Municipal Clerk, the Governing Body shall each year conduct a public hearing on the 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 (5) days prior to the date set for the hearing in a newspaper of general circulation within the Municipality or by direct mailing of the notice to each resident within the Municipality.

(2) 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 amendment is adopted, or is amended and adopted as amendment. The certification of the amount to be received from personal and real property taxation shall specify separately (a) the amount to be applied to the payment of principal or interest on bonds issued by the Governing Body and (b) the amount to be received for all other purposes.

(3) If the adopted budget amendment reflects a change from that shown in the published proposed budget statement, a summary of such changes shall be published within twenty (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.

(4) When a levy increase has been authorized by vote of the electors, the adopted budget statement shall indicate the amount of levy increase. (Ref. 13-506, 13-507 RS Neb.)

1-804 FISCAL MANAGEMENT; ADOPTED BUDGET STATEMENT; FILING;

CERTIFICATION OF AMOUNT OF TAX. (1) After publication and hearing on the proposed budget statement and within the time prescribed by law, the Governing Body shall file with and certify to the levying board on or before September 20 of each year and file with the Auditor of Public Accounts, a copy of the adopted budget statement, together with the amount of the tax required to fund the adopted budget, setting out separately (a) the amount to be levied for the payment of principal or interest on bonds issued by the Governing Body and (b) the amount to be levied for all other purposes. Proof of publication shall be attached to the statements.

(2) The Governing Body, in certifying the amount required, may make allowance for delinquent taxes not exceeding five percent (5%) of the amount required plus the actual percentage of delinquent taxes for the preceding 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. For purposes of this section, anticipated litigation shall be limited to the anticipation of an action being filed by a taxpayer who or which filed a similar action for a preceding year which is still pending. Except for such allowances, the Governing Body shall not certify an amount of tax more than one percent (1%) greater or lesser than the amount determined in the proposed budget statement.

(3) The Governing Body may designate one of its members to perform any duty or responsibility required of such body by this section.

1-805 FISCAL MANAGEMENT; BUDGET PROCEDURE. The Manual of Instructions for City/Village: budgets, prepared by the Auditor of Public Accounts, State Capitol, Lincoln, Nebraska 68509 is incorporated by reference for the purpose of proper budget preparation.

1-806 FISCAL MANAGEMENT; APPROPRIATIONS. The Governing Body shall adopt a budget statement pursuant to the Nebraska Budget Act to be termed "The Annual Appropriation Bill," in which such corporate authorities may appropriate such sums of money as may be deemed necessary to defray all necessary expenses and liabilities of such corporation. (Ref. 17-706 RS Neb.)

1-807 FISCAL MANAGEMENT; PROPERTY TAX; CERTIFICATION OF AMOUNT. The Governing Body shall, at the time and in the manner provided by law, cause to be certified to the County Clerk the amount of tax to be levied upon the taxable value of all the taxable property of the Municipality which the Municipality requires for the purposes of the adopted budget statement for the ensuing year, including all special assessments and taxes assessed as otherwise provided. Subject to Section 77-3442 RS Neb., the maximum amount of tax which may be so certified, assessed, and collected shall not require a tax levy in excess of the amounts specified in Section 17-702 RS Neb. (Ref. 17-702 RS Neb.)

1-808 FISCAL MANAGEMENT; EXTRAORDINARY LEVY. Otherwise authorized extraordinary levies to service and pay bonded indebtedness of the Municipality and to pay judgments obtained against the Municipality may be made in addition to the all purpose levy. (Ref. 19-1309 RS Neb.)

1-809 FISCAL MANAGEMENT; PROPERTY TAX LEVY; MAXIMUM; AUTHORITY

TO EXCEED. (1) Property tax levies for the support of the Municipality for fiscal years beginning on or after July 1, 1998, shall be limited to the amounts set forth in this subsection except as provided in subsections (3) and (4) of this section. The Municipality may levy a maximum levy of forty-five cents (45 cents) per one hundred dollars (\$100.00) of taxable valuation of property subject to the levy plus an additional five cents (5 cents) per one hundred dollars (\$100.00) of taxable valuation to provide financing for the Municipality's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to Section 51-201 RS Neb., museum pursuant to Section 51-501 RS Neb., visiting community nurse, home health nurse, or home health agency pursuant to Section 71-1637 RS Neb., or statue, memorial, or monument pursuant to Section 80-202 RS Neb. Property tax levies for judgments obtained against the Municipality which require or obligate the Municipality to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of the Municipality, for preexisting lease-purchase contracts approved prior to July 1, 1998, and for bonded indebtedness approved according to law and secured by a levy on property are not included in the levy limits established by this subsection. The limitations on tax levies provided in this subsection 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 subsection are those provided by or authorized by this subsection. Tax levies in excess of the limitations in this section shall be considered unauthorized levies under Section 77-1606 RS Neb. unless approved under subsection (3) or (4) of this section.

(2) All city airport authorities established under the Cities Airport Authorities Act and community redevelopment authorities established under the Community Development Law may be allocated property taxes as authorized by law which are authorized by the Municipality and are counted in the Municipality's levy limit provided by subsection (1) of this section, except that such limitation shall not apply to property tax levies for preexisting lease-purchase contracts approved prior to July 1, 1998, and for bonded indebtedness approved according to law and secured by a levy on property. The Governing Body shall review and approve or disapprove the levy requests of the political subdivisions subject to this subsection. The Governing Body may approve all or a portion of the levy request and may approve a levy request that would allow a greater levy than that permitted by law. The levy allocated by the Municipality may be exceeded as provided in Section 77-3444 RS Neb. On or before August 1, all political subdivisions subject to municipal levy authority under this subsection shall submit a preliminary request for levy allocation to the Governing Body. 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 subdivisions governing body. The failure of a political subdivision to make a preliminary request shall preclude such political subdivision from using procedures set forth in Section 77-3444 RS Neb. to exceed the final levy allocation as determined in this subsection. The Governing Body shall (a) adopt a resolution by majority vote of members present which determines a final allocation of levy

authority to its political subdivisions and (b) forward a copy of such resolution to the chairperson of the governing body of each of its political subdivisions. No final levy allocation shall be changed after September 1 except by agreement between both the Governing Body and the governing body of the political subdivision whose final levy allocation is at issue.

(3) The Municipality may exceed the limits provided in subsection (1) of this section 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. The Governing Body 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 two-thirds of the members of the Governing Body and delivering a copy of the resolution to the County Clerk or Election Commissioner of every county which contains all or part of the Municipality or (b) upon receipt of a petition by the County Clerk or Election Commissioner of every county containing all or part of the Municipality requesting an election signed by at least five percent (5%) of the registered voters residing in the Municipality. The resolution or petition shall include the amount of the levy which would be imposed in excess of the limits provided in subsection (1) of this section and the duration of the excess levy authority. The excess levy authority shall not have a duration greater than five (5) years. Any resolution or petition calling for a special election shall be filed with the County Clerk or Election Commissioner no later than thirty (30) days prior to the date of the election, and the time of the publication and providing a copy of the notice of election required in section 32-802 RS Neb. shall be no later than twenty (20) days prior to the election. 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 thirty (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 sections 32-628 to 32-631 RS Neb. Any excess levy authority approved under this subsection shall terminate pursuant to its terms, on a vote of the Governing Body 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 subsection (5) of the section, whichever is earliest. The Governing Body may pass no more than one resolution calling for an election pursuant to this subsection during any one calendar year. There shall be no limit on the number of elections held pursuant to this subsection, which are initiated by the petition. The ballot question may include any terms and conditions set forth in the resolution or petition and shall include the language specified in section 77-3444 RS Neb. 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 subsection (1) of this section, 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 Governing Body shall not impose such tax. The County Clerk or Election Commissioner may set a uniform date for a special election to be held before October 10, 1998, to submit the issue of exceeding the limits provided in section 77-3442 RS Neb, or the final levy allocation as provided in section 77-3443 RS Neb, to the voters of political subdivisions in the county seeking additional levy authority. The Municipality may individually or in conjunction with one or more other political subdivisions conduct a special election on a date different from that set by the County Clerk or Election Commissioner, except that the Governing Body shall pass a resolution calling for a special election

for this purpose and deliver a copy of the resolution to the County Clerk or Election Commissioner no later than thirty (30) days prior to the date of the election.

(4) In lieu of the election procedures in subsection (1) of the section, the Municipality may approve a levy in excess of the limits in subsection (1) of this section for a period of one (1) year at a meeting of the residents of the Municipality at least twenty (20) days prior to the meeting. At least ten percent (10%) of the registered voters residing in the Municipality shall constitute a quorum for purposes of taking action to exceed the limits. If a majority of the registered voters present at the meeting vote in favor of exceeding the limits, a copy of the record of that action shall be forwarded to the County Board prior to October 10 and the County Board shall authorize a levy as approved by the residents for the year.

(5) The Municipality 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. The Governing Body may call for the submission of the issue to the voters (a) by passing a resolution calling for the rescission or modification by a vote of at least two-thirds of the members of the Governing Body and delivering a copy of the resolution to the County Clerk or Election Commissioner of every county which contains all or part of the Municipality or (b) upon request of a petition by the County Clerk or Election Commissioner of every county containing all or part of the Municipality requesting an election signed by at least five percent (5%) of the registered voters residing in the Municipality. 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 (5) 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 thirty (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 section 32-802 RS Neb. Shall be no later than twenty (20) days prior to the election. The election shall be held pursuant to the Election Act. (Ref. 77-3442 through 77-3444 RS Neb.)

1-810 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.)

1-811 FISCAL MANAGEMENT; EXPENDITURES. No Municipal official shall have the power to appropriate, issue or draw any order or warrant on the Municipal Treasury for money unless the same has been appropriated or ordered by ordinance. No expenditure for any improvement to be paid for out of the general fund of the Municipality shall exceed in any one (1) year the amount provided for that improvement in the adopted budget statement. (Ref. 17-708 RS Neb.)

1-812 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 enlargement or 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 of 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 of 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 of 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 and, if there is no legal newspaper published in or of general circulation in the Municipality, then in some newspaper of general circulation published in the county in which the Municipality is located, and if there is no legal newspaper of general circulation published in the county in which the Municipality is located, then in a newspaper designated by the County Board, having a general circulation within the county where bids are required, and if no newspaper is published in the Municipality or county, or if no newspaper has general circulation in the county, then by posting a written or printed copy thereof in each of three (3) public places in the Municipality at least seven (7) days prior to the bid closing. 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 17-613 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 Governing Body 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 proved 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 48-1501 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 material 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. 17-568.01, 17-568.02, 18-1756 RS Neb.)

1-813 FISCAL MANAGEMENT; UNAUDITED STATEMENT OF CASH RECEIPTS

AND DISBURSEMENTS. The Governing Body shall cause an unaudited statement of cash receipts and disbursements to be filed annually in lieu of an annual audit. Such unaudited statement shall be filed with the Auditor of Public Accounts in a form prescribed by him. The person preparing the unaudited statement of cash receipts and disbursements shall submit not less than three (3) copies of the unaudited statement to the municipal authorities of the municipality. The Auditor of Public Accounts may require an audit of any Municipality's account based upon information contained in its unaudited statement and may specify the period within which such audit must be performed. The unaudited statement of cash receipts and disbursements shall become a part of the public records of the Clerk of the Municipality involved and shall at all times thereafter be open and subject to public inspections. (Ref. 19-2903, 19- 2905 RS Neb.)

1-814 FISCAL MANAGEMENT; CLAIMS. All claims against the Municipality shall be presented to the Governing Body in writing with a full account of the items and no claim or demand shall be audited or allowed unless presented as provided for in this Section. No costs shall be recovered against the Municipality in any action brought against it for an unliquidated claim which has not been presented to the Governing to be audited nor upon claims allowed in part unless the recovery shall be for a greater sum than the amount allowed with the interest due. No order or warrant shall be drawn in excess of eighty-five (85) per cent of the current levy for the purpose for which it is drawn unless there shall be sufficient money in the Municipal Treasury for the appropriate fund against which it is to be drawn; provided, that in the event there exists obligated funds from the federal and/or State government for the general purpose of such warrant, then such warrant may be drawn in excess of eighty-five (85) per cent but not more than one hundred (100) per cent of the current levy for the purpose for which said warrant is drawn. (Ref. 17-714, 17-715 RS Neb.)

1-815 FISCAL MANAGEMENT; WARRANTS. All warrants drawn upon the Municipal Treasury must be signed by the Chairman of the Board and countersigned by the Municipal Clerk, stating the particular fund to which the warrant is chargeable, the person to whom it is payable and the purpose of the expenditure. No money shall be otherwise paid than upon warrants so drawn. Each warrant shall specify the amount included in the adapted budget statement for such fund upon which it is drawn and the amount already expended of such fund. (Ref. 17-711 RS Neb.)

1-816 FISCAL MANAGEMENT; SPECIAL ASSESSMENT FUNDS. All money received on special fund to be applied to the payment of the improvement for which the assessment was made and such money shall be used for no other purpose unless to reimburse the Municipality for money expended for any such improvement. (Ref. 17-710 RS Neb.)

1-817 FISCAL MANAGEMENT; SINKING FUNDS. The Governing Body, subject to the limitation set forth herein, shall have the power to levy a tax not to exceed that prescribed by State law upon the assessed value of all taxable property within the Municipality for a term not to exceed that prescribed by State law in addition to the amount of tax which may be annually levied for the purpose 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 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 (60) per cent 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, 77-2341 RS Neb.)

1-818 FISCAL MANAGEMENT; DEPOSIT OF FUNDS. (1) The Governing Body, at its first meeting in each fiscal year, shall designate some one or more banks or capital stock financial institutions of approved and responsible standing in which the Municipal Treasurer shall keep at all times, subject to payment on his or her demand, all money held by him or her as Municipal Treasurer. If there is one or more banks or capital stock financial institutions located in the Municipality which apply for the privilege of keeping such money and give bond or give security for the repayment of deposits as provided in this section, such banks or capital stock financial institutions shall be selected as such depositories. The Municipal Treasurer shall not give a preference to any one or more of them in the money he or she may so deposit.

(2) The Governing Body shall require from all banks or capital stock financial institutions a bond in such penal sum as may be the maximum amount on deposit at any time less the amount insured by the Federal Deposit Insurance Corporation or, in lieu thereof, (b) security given as provided in the Public Funds Deposit Security Act to secure the payment of all such deposits and accretions. The Governing Body shall approve such bond or giving of security. The Municipal Treasurer shall not be liable for any loss of any money sustained by reason of the failure of any such depository so designated and approved. The fact that a stockholder, director, or other officer of such bank or capital stock financial institution is also serving as a member of the Governing Body or as any other officer of the Municipality shall not disqualify such bank or capital stock financial institution from acting as a depository for such municipal funds.

(3) 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 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. The provisions of section 77-2366 shall apply to deposits in capital stock financial institutions.

(4) 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 of 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. 17-607, 21-1316.01, 77-2362 through 77-2364, 77-2386 through 77-2397 RS Neb.)

1-819 FISCAL MANAGEMENT; INVESTMENT OF FUNDS. Whenever the Municipality has accumulated a surplus of any fund in excess of its current needs or has accumulated a sinking fund for the payment of its bonds and the money in such sinking fund exceeds the amount necessary to pay the principal and interest of any such bonds which may become due during the current year, the governing body of such municipality may invest any surplus in certificates of deposit, in time deposits, and in any securities in which the state investment officer is authorized by law and as provided in the authorized investment guidelines of the Nebraska Investment Council in effect on the date the investment is made. (Ref. 17-608, 17-609, 21-1316.01, 77-2341 RS Neb.)

1-820 FISCAL MANAGEMENT; PROPERTY TAX LEVY AND REQUEST;

AUTHORITY TO SET. (1) After publication and hearing on the proposed budget statement and within the time prescribed by law, the Governing Body shall file with the levying board on or before October 14 of each year and file with the Auditor of Public Accounts a certified copy of any resolution passed setting a tax levy which shall not exceed the maximum levy prescribed by state law and a statement reconciling the levy set by the Governing Body with the adopted budget statement files as otherwise required by law. The levy shall be set to fund property tax requirements in the adopted budget to four to eight places to the right of the decimal point. The Governing Body shall use the final adjusted values as provided by the County Assessor pursuant to section 13-509 RS Neb. For the current year in setting or certifying the levy. The Governing Body may designate one of its members to perform any duty of responsibility required of such body by this subsection.

(2) 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 section 77-1601 RS Neb. Unless the Governing Body passes by a majority vote a resolution of 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 (5) days prior to the hearing. The

hearing notice shall contain the following information: The dollar amount of the prior year's tax request and the property tax rate that was necessary to fund that tax request; the property tax rate that would be necessary to fund last year's tax request if applied to the current year's valuation; and 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. Any resolution setting a tax request under this subsection shall be certified and forwarded to the County Clerk prior to October 14 of the year for which the tax request is to apply. Any tax levy which is not in compliance with this subsection and section 77-1601 RS Neb. shall be construed as an unauthorized levy under section 77-1606 RS Neb. (Ref. 13-508, 77-1601.02 RS Neb.)

1-821 FISCAL MANAGEMENT; TRANSFER OF 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 by a majority vote transfer money from such other funds to such fund. No expenditure during any fiscal year shall be made in excess of the amounts indicated in the adopted budget statement except as authorized therein. If, as the result of unforeseen circumstance, 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 of additional money required, the purpose of the required money, a statement setting forth the reasons why the adopted budget of expenditures cannot be reduced to meet the need for additional money 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 by the Governing Body, the Governing Body shall file with the County Clerk and the Nebraska State Auditor a copy of the supplemental budget and shall certify the amount of additional tax to be levied. The Governing Body may then issue warrants in payment for expenditures authorized by the adopted supplemental budget. The said warrants shall be repaid during the next fiscal year from funds derived from taxes levied therefor. (Ref. 13-510, 13-511 RS Neb.)

1-822 FISCAL MANAGEMENT; BOND ISSUES. The Governing Body may, after meeting all requirements of State law, issue bonds, fund bonds and retire bonds for such purposes as may be permitted by State law. The Governing Body shall have the authority to levy special assessments for the payment of interest and principal on such bonds and may spread the payments up to the maximum number of years permitted by State law. (Ref. 10-201 through 10-411, 10-601 through 10-614, 12- 1001, 17-529.01, 17-529.08, 17-534, 17-905, 17-908, 17-911, 17-939, 17-958, 17-968, 18-1801 through 18-1805, 23-3513, 39-836 RS Neb.)

1-823 FISCAL MANAGEMENT; CERTIFICATES OF DEPOSIT; TIME DEPOSITS;

CONDITIONS. (1) The Municipal Treasurer may, upon resolution of the Governing Body Authorizing the same, purchase certificates of deposit from and make time deposits in any bank or capital stock financial institution in the State of Nebraska to the extent that such certificates

of deposit or time deposits are insured by the Federal Deposit Insurance Corporation. Deposits may be made in excess of the amounts so secured by the corporation, and the amount of the excess deposit shall be secured by a bond or by security given in the manner provided in this section. The provisions of section 77-2366 RS Neb. shall apply to deposits in capital stock financial institutions.

(2) 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 Municipality and be approved by the Chairperson. The 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 Municipality 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 section and all regulations imposed by law or adopted by the Governing Body for the receiving and holding thereof and shall faithfully discharge the trust reposed in the depository. The bond shall be 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. The bond shall be deposited with the Municipal Clerk.

(3) In lieu of the bond required by subsection (2) of this section, 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 such bond shall be equal to or greater than the amount of the deposit in excess of that portion of such deposit insured by the Federal Deposit Insurance Corporation.

(4) 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, not 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 of the amount of the bond of such bank or capital stock financial institution, and the amount so on deposit any time with any such 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 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 Chairperson as provided in subsection (2) of this section or which has, in lieu of a surety bond, given security as provided in subsection (3) of this section. (Ref. 17-720, 16-714 through 16-716 RS Neb.)