

Chapter 13
FISCAL MANAGEMENT

Article 1. Fiscal Management

§13-101 FISCAL MANAGEMENT; GENERAL FUND. All money not specifically appropriated in the annual appropriation bill shall be deposited in and known as the General Fund.

§13-102 FISCAL MANAGEMENT; BUDGET STATEMENT. The Governing Body shall, not later than the first (1st) day of August of each year on forms prescribed and furnished by the Nebraska State Auditor, prepare in writing and file with the Municipal Clerk a proposed budget statement containing the non-tax revenue which was allocated to each of the several funds, the unencumbered cash balance of each fund at the beginning and end of the prior fiscal year, the amount received by taxation allocated to each fund, and the actual expenditures for each fund. For the current fiscal year, the budget statement shall contain the actual and estimated revenue from non-tax sources, the actual unencumbered cash balance available at the beginning of the year, the amount to be received from taxation allocated to each fund, and the amount of actual and estimated expenditures. For the immediate ensuing fiscal year, the budget statement should include an estimate of the non-tax revenue from each source and which fund it is to be allocated to, the actual or estimated unencumbered cash balance for each fund which will be available at the beginning of the next fiscal year, amounts proposed to be expended during the year, and the amount of cash reserve which shall not exceed fifty percent (50%) of the total budget adopted exclusive of capital outlay items. The amount to be raised from taxation, as determined herein, plus the estimated revenue from sources other than taxation, and the unencumbered balances shall equal the estimated expenditures plus the required cash reserve for the ensuing year. (*Ref. 23-923, 23-924 RS Neb.*)

§13-103 FISCAL MANAGEMENT; BUDGET HEARING. Subsequent to the filing of the proposed budget statement, the Governing Body shall publish a proposed budget and conduct a public hearing on the proposed budget statement. Notice of the place and time of the said hearing, as well as a copy of the proposed budget, 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. After such hearing, the statement shall be adopted, or amended and adopted as amended, and a written record shall be made of such hearing. 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 twenty (20) days after its adoption. (*Ref. 23-925 RS Neb.*)

§13-104 FISCAL MANAGEMENT; BUDGET FILING. The Governing Body shall file with, and certify to the levying board on or before September 20th and file with the Nebraska State Auditor a copy of the adopted budget statement, together with the amount of the tax to be levied and proof of publication. The Governing Body shall not certify any tax that exceeds the maximum levy prescribed by State law; provided, in certifying the amount to be 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. (*Ref. 23-927 RS Neb.*) (*Amended by Ord.02-11, 3/18/02*)

§13-105 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.

§13-106 FISCAL MANAGEMENT; APPROPRIATIONS. The Governing Body shall, on or before September 20th, pass an ordinance 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 Municipality, not exceeding in the aggregate the amount of tax authorized to be levied. The said ordinance shall specify the objects and purposes for which such appropriations are to be made, and the amount appropriated for each purpose. Any balance unexpended and unobligated at the end of the fiscal year shall, unless reappropriated, lapse into the General Fund. *(Ref. 17-706 RS Neb.) (Amended by Ord.02-11, 3/18/02)*

§13-107 FISCAL MANAGEMENT; ALL PURPOSE LEVY. The Governing Body has determined that the amount of money to be raised by taxation shall be certified to the County Clerk in the form of one all purpose levy instead of certifying a schedule of levies for specific purposes added together. Said all purpose levy shall not exceed the maximum levy permitted by State law. *(Ref. 19-1309 RS Neb.) (Amended by Ord.02-11, 3/18/02)*

§13-108 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.)*

§13-109 FISCAL MANAGEMENT; INADEQUATE VALUATION. If the valuation of the Municipality has been reduced so that the maximum levy permitted by Section 13-107 is inadequate to produce the necessary revenue, said maximum levy may be exceeded upon presentation to the Governing Body of petitions signed by a majority of the registered voters of the Municipality requesting such action and specifying the extent to, and the period of time, not to exceed five (5) years, in which such maximum may be exceeded. No signature may be withdrawn after the petitions have been filed with the Governing Body. The Governing Body shall cause such petitions, accompanied by the certificate of the County Clerk that he has examined the petitions and that they have been signed by a majority of the registered voters of the Municipality, to be filed with the County Board in which the Municipality is located. After such filing, the Governing Body may exceed the maximum mill levy to the extent and for the period of time specified in the petitions. *(Ref. 19-1309 RS Neb.)*

§13-110 FISCAL MANAGEMENT; ALL PURPOSE LEVY, ALLOCATION. 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 shall deem best. *(Ref. 19-1310 RS Neb.)*

§13-111 FISCAL MANAGEMENT; ALL PURPOSE LEVY, ABANDONMENT. The Municipality shall be bound by its election of the all purpose levy during the ensuing fiscal year, but may abandon such method in succeeding fiscal years. *(Ref. 19-1311 RS Neb.)*

§13-112 FISCAL MANAGEMENT; GENERAL PROPERTY TAX. The Governing Body shall cause to be certified to the County Clerk the amount of tax to be levied upon the assessed value of all the taxable property of the Municipality for the requirements of the adopted budget for the ensuing year, including all special assessments and taxes. The maximum amount of tax

which may be certified and assessed shall not require a tax levy in excess of the legal maximum as prescribed by State law. (*Ref. 12-702 RS Neb.*)

§13-113 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.*)

§13-114 FISCAL MANAGEMENT; CONTRACT. The Governing Body shall before making any contract in excess of twenty (\$20,000.00) as estimated by the Municipal Engineer, for general improvements, such as water extensions, sewers, public heating system, bridges, or work on streets, or any other work or improvement where the cost of such improvement shall be assessed to the property, advertise for bids, unless such contract shall be entered into for the benefit of the Municipal Electric Utility. A Municipal Electric Utility may enter into a contract for any such work or improvement or for the purpose of such equipment without advertising for bids if the: (a) Price is twenty thousand dollars (\$20,000) or less; (b) price is forty thousand dollars (\$40,000) or less and the Municipal Electric Utility has a gross annual revenues from retail sales in excess of one million dollars (\$1,000,000.00); (c) price is sixty thousand dollars (\$60,000.00) or less and the Municipal Electric Utility has gross annual revenues from retail sales in excess of five million dollars (\$5,000,000.00); or (d) price is eighty thousand dollars (\$80,000.00) or less and the Municipal Electric Utility has gross annual revenues from retail sales in excess of ten million dollars (\$10,000,000.00). In advertising for bids for any such work, or for the purchase of such equipment, the Governing Body may cause the amount of such estimate to be published therewith. Such advertisement shall be published once each week for three (3) consecutive weeks in a legal newspaper published in or of general circulation in the Municipality, or by posting a written or printed copy thereof in each of three (3) public places in the Municipality; provided, that in case of a public emergency resulting from infectious or contagious diseases, destructive windstorms, floods, snow, 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, or war, estimates of costs and advertising for bids may be waived in the emergency ordinance when adopted by a three-fourths (3/4) vote of the Governing Body. If, after advertising for bids as provided in this section, the Governing Body receives fewer than two (2) bids on a contract for services, material, or labor, or if the bids received by the Governing Body contain a price which exceeds the estimated cost of the project, the Governing Body shall have the authority to negotiate a contract for services, material, or labor in an attempt to complete the proposed project at a cost commensurate with the estimate given.

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

The Municipal bidding procedure shall be waived 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. (*Ref. 17-568.01, 17-613 RS Neb.*) (*Amended by Ord. No. 83-19, 10/17/83, 02-11, 3/18/02*)

§13-115 FISCAL MANAGEMENT; ANNUAL AUDIT. 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 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.

§13-116 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 Body 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 percent (85%) 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 percent (85%), but not more than one hundred percent (100%) of the current levy for the purpose for which said warrant is drawn. (*Ref. 17-714, 17-715 RS Neb.*)

§13-117 FISCAL MANAGEMENT; WARRANTS. All warrants drawn upon the Municipal Treasury must be signed by the Mayor 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 adopted budget statement for the fund upon which it is drawn, and the amount already expended of such fund. (*Ref. 17-711 RS Neb.*)

§13-118 FISCAL MANAGEMENT; SPECIAL ASSESSMENT FUND. All money received on special tax assessments shall be held by the Municipal Treasurer as a 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.*)

§13-119 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 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 purposes of the adopted budget statement of the Municipality, for the purpose of es-

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.*)

§13-120 FISCAL MANAGEMENT; DEPOSIT OF FUNDS. The Governing Body, at its first (1st) meeting in each fiscal year, shall designate one (1) or more banks of approved and responsible standing in which the Municipal Treasurer shall keep at all times all money held by him; Provided, if more than one (1) bank in the Municipality meets the requirements for approved banks as herein defined, the said funds shall be deposited in each of them, and the Municipal Treasurer shall not give a preference to any one (1) or more of them in the money he shall deposit. A bond shall be required from all banks so selected in a penal sum which equals the maximum amount on deposit at any time less the amount insured by the Federal Deposit Insurance Corporation or a pledge of sufficient assets of the bank to secure the payment of all such deposits. (*Ref. 17-607, 77-2362 through 77-2364 RS Neb.*)

§13-121 FISCAL MANAGEMENT; INVESTMENT OF FUNDS. The Governing Body may, by resolution, direct and authorize the Municipal Treasurer to invest surplus funds in the outstanding bonds or registered warrants of the Municipality, and other approved bonds and obligations as provided by law. The interest on such bonds or warrants shall be credited to the fund out of which the said bonds or warrants were purchased. (*Ref. 17-608, 17-609, 21-1316.01, 77-2341 RS Neb.*)

§13-122 FISCAL MANAGEMENT; BOND ISSUES. The Governing Body may, after meeting all the 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, 23-343.13, 39-836 RS Neb.*)