

Chapter 5

TAXATION AND FINANCE

Articles:

- I. In General**
- II. City Budgetary Limitations**

Article I. In General

Sec. 5-1. Levy, assessment, etc., to be made under state law.

The levy, assessment, equalization and collection of city taxes and the proceedings for such purposes shall be as provided in the laws of the state and city ordinance. All taxes shall become delinquent at the same time as county and state taxes, and the county treasurer shall collect for the use of the city, such additional penalty and interest as are provided by law upon all delinquent taxes.

Sec. 5-2. Collection by county treasurer, exceptions; remittance to city.

All taxes levied on all the property of the city in accordance with the annual tax levy resolution shall be collected by the county treasurer as provided by law and remitted to the city.

Nothing contained in this chapter shall preclude the city from collecting special assessments for improvements, when the same may be provided for by ordinance or resolution, or collecting other city taxes or performing any other duty with reference thereto not in conflict with the laws of the state.

Sec. 5-3. Deposits of tax funds by the city.

The duty of the city in regard to deposits shall be as provided in the laws of the state.

Sec. 5-4. Funds created.

For the purpose of keeping a clear and accurate account of the money and revenues, and disbursements of the city, there are created the funds set forth in the BARS system of state accounting for municipal governments and such other special accounts as may be designated by ordinance or resolution for special projects.

Sec. 5-5. Revolving fund for special improvement districts created.

In order to secure prompt payment of any special improvement district bonds or warrants, or interest thereon, issued in payment of improvements to be made in any special improvement district in the city, there is hereby created and established special improvement district revolving fund of the city.

Sec. 5-6. Same—method of providing funds.

For the purpose of providing funds for the revolving fund created by Sec. 5-5, the city council:

(1) May in its discretion, from time to time transfer to the revolving fund from the general fund, such amount as it deems necessary to secure the prompt payment of the bonds and warrants, and interest thereon, to be issued by any special improvement district in the city and such transfers shall be loans from such general funds to the revolving funds.

(2) Shall, in addition to such transfer authorized by subsection (1), levy and collect for such revolving fund each year, in addition to all other taxes, a tax on all of the taxable property in the city, equal in amount to delinquencies in the payment of special assessments and interest thereon during the year immediately preceding; such levy, together with such transfer, not to exceed in any one year, five (5) per cent of the principal amount of the then outstanding special improvement district bonds and warrants.

Sec. 5-7. Same—excess.

a) Whenever there is in the revolving fund an amount in excess of the amount which the council deems necessary for the payment or redemption of maturing bonds or warrants and interest thereon the city council may:

(1) By vote of all of its members at a meeting called for that purpose, order such excess, or any part thereof, transferred to the general fund, only in the event that none of the special improvement district bonds affected by the revolving fund remains outstanding and unpaid; or,

(2) Use such excess or any part thereof, for the purchase of property at sales for delinquent taxes and assessments, or both, or which may have been struck off and sold to the county for delinquent taxes or assessments, or both, and against which property there then may be any unpaid assessments for special improvements on account whereof there are outstanding special improvement district bonds or warrants of the city.

b) Whenever there shall be money in the district fund which is not required for payment of any bond or warrant of such district or of interest thereon, so much of such money as may be necessary to pay the loan provided for shall by order of the council be transferred to the revolving fund. After all the bonds and warrants issued on any special improvement district of sidewalk, curb, and alley approach warrants have been fully paid, all money remaining in such district fund shall by order of the council be transferred to and become part of the revolving fund.

Sec. 5-8. Payment by warrants or checks.

All revenues of the city shall be paid out by the city by warrants or checks drawn as provided by law and the ordinances of the city.

Sec. 5-9. Interest rate on unpaid warrants.

When any warrant, drawn upon the city is presented to the city for payment, and the same is not paid for want of funds, the city must endorse thereon, "Not paid for want of funds," annexing the date of presentation, and sign his name thereto; and from that time until such warrant is called for payment the warrant shall bear interest at the maximum rate allowed by state law.

Sec. 5-10. Investment.

The city under supervision by the city council shall pursue an active investment program in investments allowed by state law of city revenues not needed for current expenses.

Sec. 5-11. Costs and charges of special improvement districts.

The City of Livingston shall charge each special improvement district the costs and expenses connected with and incidental to the formation of any such district. These costs and expenses shall include, but shall not be limited to the following charges:

Administration Expenses: five (5) percent of cost of improvement

Legal Expense Charge: one (1) percent of cost of improvement

Advertising, copying, mailing, printing and engineering services: at cost

The city shall insure that the proper expenses have been charged to each special improvement district and that all resolutions levying taxes and assessments are sufficient to pay such charge. (Ord. 1425, 12/18/78; Ord. 1358, 7/6/77; Ord. 1472, 11/3/80)

Sec. 5-11.1. Special improvement district restrictions.

A. The following special improvement district restrictions shall apply to any proposed special improvement district:

1. At least eighty (80) percent of any proposed special improvement district must be developed with a finished and occupied structure at the time the district is created.

2. At least seventy-five (75) percent written approval for the district must exist according to the method of assessment being proposed.

3. Special improvement districts are not an option for use as subdivision improvement guarantees.

B. This section in no way affects the requirement of a developer signing a Waiver of Protest of SID for future improvements. (Ord. 1807, 4/17/95)

Sec. 5-12. Industrial Revenue Bonds.

(a) The City shall impose a fee upon any applicant for industrial revenue bonds according to the following schedule:

1. An application fee of one hundred dollars (\$100.00).

2. A minimum additional fee of one thousand dollars (\$1,000.00).

3. A fee of one dollar (\$1.00) for each one thousand dollars (\$1,000.00) of face amount of bonds proposed to be issued above three hundred thousand dollars (\$300,000).

(b) The application fee shall be due upon first application and appearance before the Council. The minimum additional fee and other fees shall be non-refundable and shall be imposed and due the day following the adoption of a resolution authorizing the project, whichever occurs later. If the Council does not authorize a project after public hearing no fee other than the application fee shall be charged.

(c) The purpose of the fees is to defray expenses, direct and indirect, to the City in the review and consideration of such projects and such fees shall go to the general fund of the City. (Ord. 1453, 12/3/79; Ord. 1620, 3/20/89)

Article II. City Budgetary Limitations

Sec. 5-20. City expenditures—line item amendments.

A. No City expenditures may be made that are not properly classified within line items specifically set forth in the City budget. Amendments may be made during the course of the budget year to add line item expenditures to the city budget but all such additions must be by unanimous vote of the City Council.

B. In no event shall City expenditures during the budget year exceed total anticipated revenues. No budgetary amendment may be made during the course of the year that would place City expenditures in excess of anticipated revenues.

C. If any City claim would exceed the budget and line item expenditure, then that claim shall be noted and flagged as exceeding such line item at the time that such claim is presented to the City Council for approval. Each quarter there shall be a budgetary resolution presented to the City Council to adjust the budget where line items have been exceeded.

D. City management shall present to the City Council each quarter detailed cash flow projections for the general fund and each of the revenue funds that shows current City balances in each fund and that projects the cash flow for each fund for the next twelve (12) month period.

E. City management shall on the second meeting of each month present the City Council with a budgetary summary by department and one copy of a full budgetary printout of the City budget showing line items expended in relation to the budget as of the last day of the previous month. (Ord. 1768, 7/18/94)

Sec. 5-21. Salary alterations, employee positions—resolution adoption required.

A. No salaries for any City employee may be altered or added to nor may any City employee positions be added beyond those specifically set forth in the annual budgetary resolution without the City Council first having passed an emergency resolution adopted by unanimous vote. No bonuses shall be paid to any City employee without an emergency budgetary amendment passed by a unanimous vote.

B. The salary limitation in subsection A of this section shall not apply to City employees temporarily filling a higher level position. Any City employee filling a higher level position for more than three (3) days shall be paid the salary of the higher position unless otherwise specified in a collective bargaining agreement. (Ord. 1769, 7/18/94)

Sec. 5-22. Employee financial reimbursement policy.

No financial reimbursement in excess of thirty dollars (\$30.00) per occurrence shall be made by the city of Livingston to any employee or to the City Manager for any purchases for City supplies or equipment made on their own or on their own account. This shall not preclude regularly budgeted expenditures from being made but this is intended to preclude purchases of supplies and equipment without adherence to the normal purchasing procedures of the City. (Ord. 1770, 7/18/94)

Sec. 5-23. City excluded as general contractor—Exception.

The City of Livingston shall not serve as its own general contractor on any building project having a value of greater than twenty-five thousand dollars (\$25,000.00). This section shall not preclude normal utility line work and street work where the city performs all but minor portions of the work with its own equipment and employees. (Ord. 1771, 7/18/94)

Sec. 5-24. Public notice required for competitive bidding.

No relative of any City employee or of a member of the City Council may do any work on any building project or may a purchase be made from such individual or any corporation wherein that individual controls majority stock ownership, in excess of one thousand dollars (\$1,000.00) without first having been publicly noticed for competitive bidding. "Relative" for this section's purpose means a relative by marriage or by blood to the second degree of consanguinity. (Ord. 1772, 7/18/94)

Sec. 5-25. Restricted reserves expenditure—vote required.

A. The expenditure of restricted reserves from any fund in the City shall require a two-thirds ($\frac{2}{3}$) majority vote of the entire council.

B. Such vote shall only be undertaken after a full and complete financial report of the balance of the targeted fund and that the balance of the fund remaining after the proposed expenditure shall be sufficient to meet the other reserve requirements pertaining to that individual fund.

C. The City Manager and the City Finance Officer of the City of Livingston are charged with the duty of meeting the requirements of this section. (Ord. 1777, 8/15/94)