

**ORDINANCE NO. 03- 664**

AN ORDINANCE RELATING TO deposit of funds; to eliminate provisions on cooperative credit associations; to repeal conflicting ordinances and sections; to provide an effective date.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF FRIEND, NEBRASKA:

Section 1. Section 1-82 1 of the Municipal Code of Friend, Nebraska, is amended to read as follows:

**DEPOSIT OF FUNDS.**

(A) The City Council, at its first meeting in each fiscal year, shall designate some one or more banks, capital stock financial institutions, or qualifying mutual financial institutions of approved and responsible standing in which the City Treasurer shall keep at all times, subject to payment on his or her demand, all money held by him or her as City Treasurer. If there is one or more banks, capital stock financial institutions, or qualifying mutual financial institutions located in the city 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, capital stock financial institutions, or qualifying mutual financial institutions shall be selected as such depositories. The City Treasurer shall not give a preference to any one or more of them in the money he or she may so deposit.

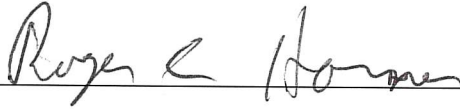
(B) The City Council shall require from all banks, capital stock financial institutions, or qualifying mutual financial institutions (1) a bond in such penal sum as may be the maximum amount on deposit at any time less the amount insured by the Federal Deposit Insurance Corporation or, in lieu thereof, (2) security given as provided in the Public Funds Deposit Security Act to secure the payment of all such deposits and accretions. The City Council shall approve such bond or giving of security. The City 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, capital stock financial institution, or qualifying mutual financial institution is also serving as Mayor, as a member of the City Council, or as any other officer of the City shall not disqualify such bank, capital stock financial institution, or qualifying mutual financial institution from acting as a depository for such municipal funds. (Neb. RS 17-607)

(C) The insurance afforded to depositors in banks, capital stock financial institutions, or qualifying mutual 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, and for deposits so insured, no other surety bond or other security shall be required. Neb. RS 77-23 66 shall apply to deposits in capital stock financial institutions. Neb. RS 77-2365.01 shall apply to deposits in qualifying mutual financial institutions. (Neb. RS 77-2362)

Section 2. Any other ordinance or section passed and approved prior to passage, approval, and publication or posting of this ordinance and in conflict with its provisions is repealed.

Section 3. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

Passed and approved this 4th day of November 2003.



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Mayor





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City Clerk