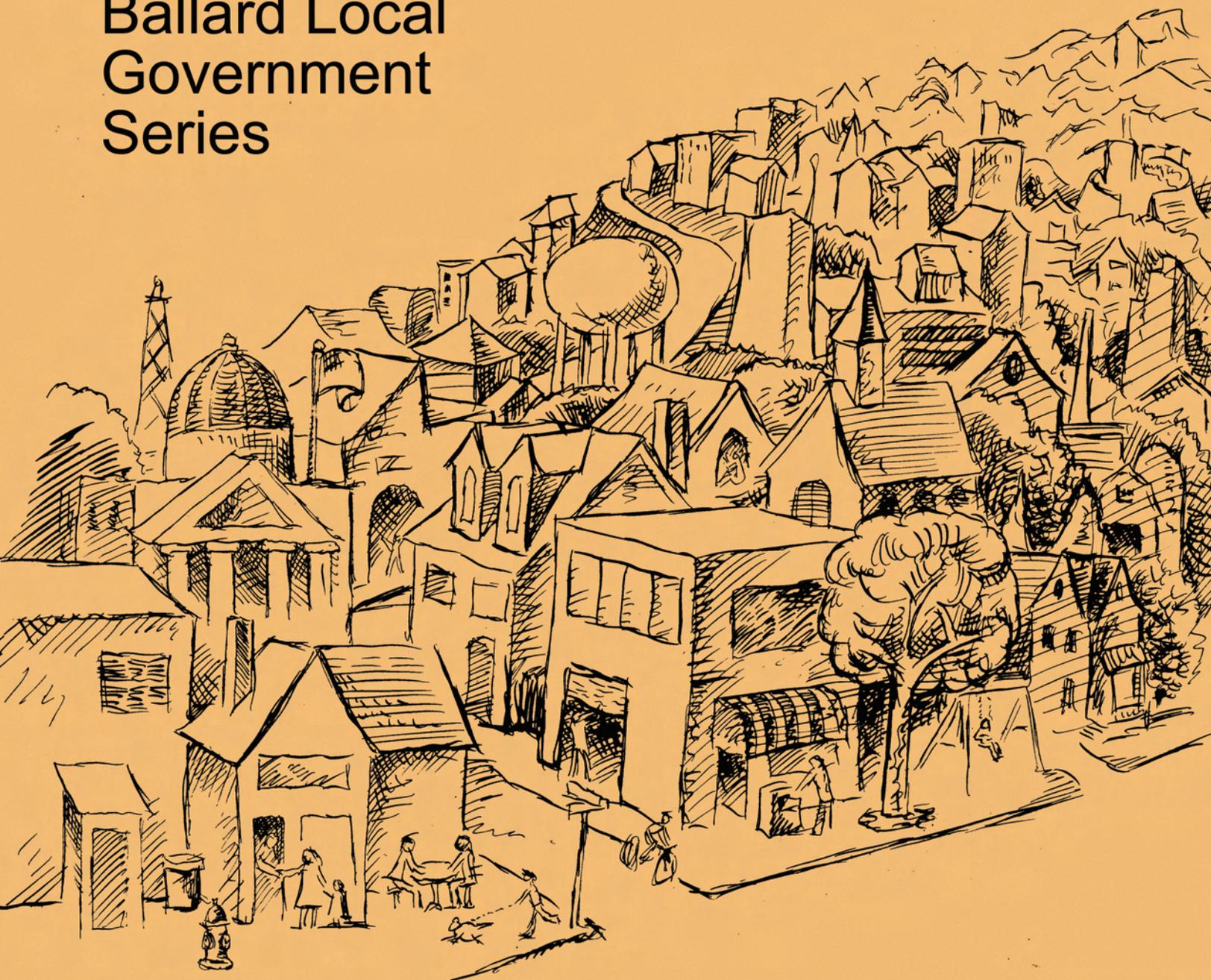


# Rules for Missouri **Fourth-Class Cities**

Ballard Local  
Government  
Series





### **John Ballard**

John Ballard was a lifelong resident of Missouri. He attended the University of Missouri, earned a master's degree in community development in 1971, and then worked for University of Missouri Extension as a local government specialist for 21 years.

During his tenure with MU Extension, he earned statewide recognition for his vast knowledge of state, city and county politics. After he retired in 1992, he continued to play an active role in Missouri government by operating a private consulting firm, Governmental Services, through which he published a monthly newsletter for more than 300 subscribers in the state.

# Rules for Missouri Fourth-Class Cities

Second Edition, November 2008

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## Ballard Local Government Series

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Ron Higginbotham

First edition by John Ballard

Cover art by Dennis Murphy

University of Missouri Extension and  
Local Government Partnership of East-West Gateway  
Council of Governments, University of Missouri-St. Louis

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# Acknowledgments

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This manual is, first and foremost, the work of the late John Ballard. This edition would not be possible without the original manual that John conceived and wrote. One mark of John's authorship is his use of stories to teach. Several of those stories are included here, as John wrote them.

The effort to update John's work depends on many people. First, John's family led the effort by making his work available to University of Missouri Extension. The Local Government Resource Group (LGRG) within the Community Development Program worked diligently to provide the updates necessary to reflect changes since the first edition, and devoted many hours to editing, creating and reviewing this edition. The LGRG members are Ron Higginbotham, community development specialist, Boone County (retired); Julianne Stone, director, Local Government Partnership, St. Louis; Tony DeLong, University of Missouri council relations, Tri-Lakes Telecommunication Community Resource Center (TCRC), Stone County; Judith Stallmann, professor, community development extension, agricultural economics, rural sociology and public affairs, University of Missouri-Columbia; and the late Eber Cude, co-editor of this edition, formerly local government and community development specialist, Pulaski County. Eber devoted his career to assisting local governments in Missouri and his untimely death is a loss that will be felt by his colleagues and all those he served. We also thank University of Missouri Extension Publications, particularly George Laur, Amy Spindler and Dennis Murphy.

Practitioners of local government across Missouri also contributed to the update: Rick Purdon, former mayor of Laurie; C.J Dykehouse, Boone County counselor; Kevin O'Keefe, principal, Curtis, Heinz, Garrett, and O'Keefe P.C.; and Gary Markenson, executive director of the Missouri Municipal League. Many others provided advice and comments that greatly improved the quality of the update. We express our deepest appreciation to all who contributed to the work. They provided the quality, any errors are ours alone.

We hope this effort is useful to those who make city government work. This material is current through August 2008. However, laws change and errors slip into even the best efforts. Always check for updates and changes since publication. The following is a list of useful Web sites for this purpose:

- After the effective date of Missouri legislation each year (Aug. 28), city officials are urged to check the legislature's Web site to identify new laws affecting cities. Online at *moga.state.mo.us/*
- Some, but not all, changes that affect city government would likely be found at *moga.mo.gov/statutes/chapters/chap065.htm*.
- Sunshine Law changes would likely be found at *moga.mo.gov/statutes/chapters/chap610.htm*.
- Changes in eligibility for office would likely be at *moga.mo.gov/statutes/chapters/chap115.htm*.

Judith Stallmann  
September, 2008

# Rules for Missouri Fourth-Class Cities

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# I. Background for Fourth-Class Cities

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## A note

Most cities in Missouri are fourth-class cities; some are about as old as the state and others are brand new. The result is an infinite variation in how cities interpret statutes and rules — how one city has always done things is often how another city has never done it! It's a huge undertaking to create a manual covering the fundamentals of what it means to be a fourth-class city. However, this manual covers what cities *must do*, what they *may do*, and what they *can do*. Consider it to be the basic rules for fourth-class cities.

## A brief explanation of Chapter 79

Missouri cities operate under the generic charter in Chapter 79 of Missouri's Revised Statutes; this chapter is exclusively devoted to fourth-class cities. The chapter includes details on how to organize a city, required and optional officials, duties and responsibilities, and even rules for disincorporating a city.

## How to incorporate a city

Becoming an incorporated city is not difficult. An unincorporated place must have a minimum population of 500 to become incorporated (72.040), while an existing incorporated village must have a minimum of 200 people (72.050). The proposed city may be situated in more than one county (72.100). And voters must approve incorporation (72.070, 72.080).

## General powers upon incorporation

An incorporated city gains “perpetual succession,” which means it has permanent existence unless disincorporated. It gains legal standing to: “sue and be sued; plead and be impleaded; defend and be defended in all courts.” It may own or buy real or personal property within its limits and cemeteries outside of its limits, and it can dispose of property it owns. It may, if it chooses, adopt an official city seal (79.010).

## Number of wards

A city must be divided into a minimum of two wards; there is no maximum for number of wards. Each ward must have two aldermen, elected to staggered terms. (The title of alderwoman for female officials is acceptable, but most Missouri cities consider alderman to be non-sex-specific.) At the city's first election, in each ward the candidate with the highest number of votes is elected to a two-year term and the runner-up is elected to a one-year term. After the initial election, all candidates are elected for two years unless the board adopts an ordinance to lengthen a term to three or four years. Voters must approve this ordinance change.

## Background

- A note
- Chapter 79
- Incorporating
- Powers
- Wards
- Restrictions
- City class
- Officials (table)
- Requirements
- Tax delinquency

Ward lines must be reviewed after each decennial census, with proper adjustments made or deemed unnecessary. Wards should be as equal in population as is realistic. Most courts have agreed that this number should be within 10 percent of the ideal number.

For example, in a city with two wards, each ward would be home to one half of the city's census number. This is the ideal ward population. If one ward's population is 10 percent over and one is 10 percent under this ideal number, the wards could be expected, although not guaranteed, to meet a court challenge under equal protection guarantees of the U.S. and Missouri Constitutions.

### **Restriction on incorporation**

Statutes prohibit (72.130) the incorporation of a village or city within two miles of an existing incorporated city's limits. Incorporation is permitted only when the existing incorporated city denies, or doesn't respond within one year to, a petition for annexation by the village or city seeking to incorporate. This petition must be equal to 15 percent of the vote in the last gubernatorial election in the proposed area for incorporation. This section applies when any part of the city's boundary falls within two miles of an existing incorporated city's boundary.

### **Understanding city classification**

When a city first incorporates, it must have a minimum population of 500 for fourth-class (unless it's already a village) and 3,000 for third-class. The chapters for first- and second-class cities were repealed after several years in which no cities fell into these categories. Once incorporated, population restrictions are not relevant to a city's class. No village must, when its population grows to 500, become a fourth-class city. Likewise, no fourth-class city that grows to 3,000 in population must become third-class. But cities may change class if they choose to and voters approve. Similarly, population loss doesn't force a class change. A fourth-class city remains such until it chooses, and voters approve, a change. Often, cities remain in the class in which they were first incorporated.

## Fourth-class city officials

Office	Elected	Term	Requirements
Mayor	Citywide	2 years*	<ul style="list-style-type: none"> <li>• 25 years of age</li> <li>• U.S. citizen</li> <li>• 1 year city resident</li> </ul>
Alderman	Two from each ward	2 years*	<ul style="list-style-type: none"> <li>• 21 years of age</li> <li>• U.S. citizen</li> <li>• 1 year city resident</li> <li>• Ward resident at filing</li> </ul>
Collector**	Citywide	2 years*	<ul style="list-style-type: none"> <li>• U.S. citizen</li> <li>• City resident</li> <li>• Bondable</li> </ul>
Marshal**	Citywide	4 years	<ul style="list-style-type: none"> <li>• 21 years of age</li> <li>• City resident</li> </ul>

*\*The offices of mayor, alderman and collector may be extended to four years by a voter-approved ordinance.*

*\*\*Office of collector and marshal may be combined by ordinance. When combined, the collector's term automatically extends to four years. By ordinance and voter approval, both posts may be made appointive. Marshal becomes chief of police.*

*A city may also elect, if provided by ordinance, an assessor, city attorney, city clerk and/or street commissioner; each has a term of two years.*

## Residency, registration requirements

Anyone elected or appointed to fill a vacancy in an elective office must be a registered voter and resident of the city. Persons named to appointive office are not mandated to be registered voters and do not necessarily have to be residents. In addition, elected and appointed persons must be current on any city taxes (79.250).

## Important notes regarding elected officials

Since 1999, election laws have provided that no person shall be certified as a candidate for municipal office, nor have his or her name on a city ballot if in debt to the city for either taxes or user fees (155.346). In a few cases, where money due the city was not discovered until after filings, clerks have refused to swear into office persons with delinquencies. Court challenges of this law have resulted in confusion.

## Officials and Their Operations

- Swearing-in
- Oath
- Terms
- Vacancies
- Resignation
- Quorum
- Abstention
- Meeting rules
- Other offices

### Oath of office

Article VII Public Officers  
Section 11, RSMo. Aug. 28,  
2006.

Before taking office, all civil and military officers in this state shall take and subscribe an oath or affirmation to support the Constitution of the United States and of this state, and to demean themselves faithfully in office. (Source: Const. of 1875, Art. XIV, § 6.)

In the *Governmental Services Newsletter*, March, 2003, in “Recent Questions to Governmental Services with Answers” John Ballard confirms that all public officials must take the oath before taking office.

He provides an example of such an oath:

“I \_\_\_\_\_, do solemnly swear (or affirm) that I will uphold the Constitution of the United States, of this state, and demean myself faithfully in office.”

## II. Officials and Their Operations

### Swearing in of officials

All officials must swear in before taking office. Outgoing officials retain authority until incoming officials swear in. A city clerk, county clerk or judge can swear in officials. This is important because it reminds each official that he or she is a public servant, subject to the requirements of this role. The board of aldermen should determine, as part of its rules of procedure, how soon a board meeting should be held following an election. Certified election results are usually available within one week.

### The oath for all officials

Before taking office, every officer and assistant “shall take and subscribe to an oath or affirmation” (79.260) before a court of record or the city clerk. The oath is a formal confirmation that the elected or appointed official is qualified for office, that he or she will support the city’s ordinances, state laws and the U.S. and Missouri constitutions, and will “faithfully demean himself while in office.” The written oath is filed with the city clerk. Failure to take the oath vacates the office.

### Term completion, perpetuity

The city has perpetual existence. This means that terms of officials continue until successors are elected or appointed and qualified. Expiration of a term doesn’t relieve the official of his or her position until a replacement is elected or appointed and sworn in. The statute states repeatedly that officials serve until their successors are elected or appointed and qualified.

### Vacancies in office

Office vacancies do occur — when no one is elected, when the elected candidate doesn’t qualify, when the official dies or relocates, or for whatever reason — and then “the mayor or the person exercising the duties of the mayor” must call a special meeting of the board. The mayor nominates and appoints, with board approval, a replacement to serve until the next municipal election (79.280). If the office of mayor is vacant, any board member may nominate a successor who shall be selected with the consent of a majority of the board and shall serve until the next municipal election. Once the replacement is elected, he or she serves to the end of what would have been the term of the person originally elected to the seat to maintain the rotation. If the vacancy is in an appointive office, the mayor appoints a temporary replacement to serve until a regular board meeting permanently fills the vacancy.

### Resignation

Resigning from a city office requires two things: an offer by the official and acceptance by a quorum. Remember, resignation doesn’t relieve the

official of responsibility until the quorum accepts the resignation. This is how perpetual existence of the city is maintained. Should resignations threaten the quorum, replacement(s) must be appointed before any more resignations are accepted.

## **Quorum**

A majority of the aldermen make a quorum, empowered to do city business. If there is no quorum, those present may adjourn the board from day to day or send the marshal or police chief to get an absent member.

## **Abstaining from voting**

There are circumstances in which a member must abstain from voting, but this should be kept to a bare minimum. Each member has, by swearing in, made a commitment to represent citizens on all questions. So, unless voting creates a conflict of interest or constitutes nepotism, all members should vote on all issues. When abstaining, the member should leave the room and not participate in pre-vote discussions.

## **Rules governing meetings**

As a public governmental body, the board must comply with Missouri's Sunshine Law regarding meetings, records and votes. (See XI: Meetings, Records and Votes.) The board should also adopt rules of procedure to determine regular time, date and place of meeting; order in which business will be tended; whether public attendees will or will not be permitted to speak and under what limitations; as well as other 'housekeeping' issues. Rules of procedure allow for well-run meetings and are important to establish early — before an issue draws large numbers of attendees, possibly upset, to a meeting.

## **Other offices and officials**

The board of aldermen may, by ordinance, create additional offices that they feel are necessary for the city's operation. Some of the more unusual offices in fourth-class cities include: mineral water commissioner (in a city with mineral springs), Pepsi-Cola commissioner (in a city that operated a bottling plant) and chimney inspector (in a city that experienced several flue fires). More common offices include: economic development director, code administrator, emergency coordinator, health officer, airport director, cemetery sexton and parks and recreation director. Each additional office should have its own ordinance that includes:

- Requirements for the position;
- Method of selection;
- Goals of the operation (could be in the ordinance preamble);
- Powers and duties of the office;
- Compensation of the official (if any); and
- Other details as is necessary.

## Board Powers

- Qualifications
- Pro-tem
- Actions
- Ordinances
- Veto
- Journal
- Power as a collective

## III. Board Powers and Duties

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### Member qualifications

Aldermen must be 21 years old, city residents for at least one year before election day, and live in the ward from which they file, at the time they file. When ward lines are redrawn, they must have lived in the territory making up the new ward even if it was previously in a different ward. One case that went to the Supreme Court concerned a recently annexed resident who had lived at his residence for more than the required year but had been inside city limits less than a year. The court held that he was eligible to run for office and serve.

### Acting president (mayor pro-tem)

At the first meeting following an election, the board should elect an “acting president of the board of aldermen” (79.090). This person is referred to as mayor pro-tem and presides in the absence of the mayor. The mayor pro-tem doesn’t forfeit his or her seat on the board of aldermen. When presiding and calling for a vote, the pro-tem still votes on the issue as an alderman. In rare circumstances when the pro-tem is presiding and the vote is tied, he or she breaks the tie. The president’s term is one year.

### Actions by the board of aldermen

The board of aldermen may take two primary actions: It adopts or rejects resolutions and adopts or rejects ordinances. Both require that aldermen make a motion to adopt, second the motion, discuss the issue, call the question and then vote.

However, resolutions and ordinances are adopted differently. A resolution requires favorable votes by a majority of the quorum to pass the question. An ordinance requires favorable votes by a majority of the elected board members. Why is there a difference? An ordinance becomes a permanent part of the city’s law book, where a resolution is less permanent.

A reminder: Only the board of aldermen can make decisions for the city. The mayor can propose, suggest and encourage adoption of a proposal, but the mayor only votes to break a tie vote. Only an alderman can make a motion and second a motion.

But this doesn’t mean that the mayor doesn’t exercise considerable control as presiding officer of the board. The mayor chooses who is recognized, who is ruled out of order and which motions are given priority. But in the end, only aldermen vote except when the board splits evenly.

### Ordinance adoption procedures

“No ordinance shall be passed except by bill, and no bill shall become an ordinance unless on its final passage a majority of the members elected to the board of aldermen shall vote for it, and the ayes and nays be entered

on the journal” (79.130). This section also specifies that the introduced ordinance must be in writing and must be read in full or by title twice before passage. Both readings may take place during the same meeting. If it’s read by title only, copies must be made available for public inspection before the vote. When introduced by alderman motion, the ordinance is a bill. When adopted by a favorable vote after two readings, it remains a bill. When signed by the mayor or the mayor pro-tem or passed by the board over the mayor’s veto, it becomes an ordinance.

All ordinances must begin: “Be it ordained by the board of aldermen of the city of \_\_\_\_\_ as follows” (79.130). Ordinances should be numbered consecutively and reviewed from time to time. Repealing obsolete ordinances cleans up the city’s law book, making it easier to enforce existing and relevant laws.

### **Procedure following veto**

If the mayor opposes an ordinance passed by the board, he or she may return it to the board immediately upon passage and state his or her objections. The board should direct the clerk to enter the mayor’s objections in the minutes and then vote on the ordinance again. The motion is: “Shall the bill pass, the objections of the mayor thereto notwithstanding?” If two-thirds of the elected aldermen agree, the bill becomes an ordinance without the mayor’s signature (79.140).

The mayor may also choose to return the passed ordinance and state his or her objections at the next regular meeting. At that time, it becomes an ordinance without the mayor’s signature or another vote.

### **The board’s journal**

By statute, the board of aldermen must keep a journal of its proceedings. Most cities simply use the clerk’s minutes as their journal (79.150). The journal needs to include the name of each alderman and how he or she voted on questions before the board, especially on ordinances. (Further explanation in XI: Meetings, Records and Votes.)

### **Power as a collective**

The board of aldermen is empowered by voters to collectively make decisions that are in the best interest of the city. However, sometimes this goal is overlooked as each alderman is elected individually. As individuals, each alderman should strive to best represent his or her ward — proposing ideas, debating issues and even objecting to others’ ideas. But once a vote is held (even if it’s a close vote or tied), it becomes the whole board’s decision and the city’s position.

Only the board, not an alderman, may give instructions to a city employee. Only the board, not an alderman, may adopt a city policy. Only the board, not an alderman, may allow an employee to go home early without docked pay. Only collectively do aldermen have power to make decisions.

## **Mayor Powers and Duties**

- Charge
- Pardons
- Presiding
- Tips
- Motions
- Appointing
- Removing

## **IV. Mayor Powers and Duties**

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### **The general charge**

The mayor “shall have a seat in and preside over the board of aldermen” (79.120), but only votes to break a tie. The mayor may not preside over, nor vote when he or she has a personal interest in the issue under debate. Jointly, the mayor and board have “care, management and control of the city and its finances” and may adopt such ordinances “as they shall deem expedient for the good government of the city, the preservation of peace and good order, the benefit of trade and commerce and the health of the inhabitants thereof” so long as the state constitution or laws authorize it (79.110).

The mayor is to communicate with the board “from time to time” on how to improve the finances, police, health, security, ornament, comfort and general prosperity of the city (79.210). The mayor also signs all commissions and appointments and approves all official bonds unless an ordinance otherwise prescribes (79.190).

Statutes direct the mayor to “be active and vigilant in enforcing all laws and ordinances for the government of the city” and to promptly deal with any neglect or violation of duty by a subordinate (79.200). The mayor is authorized, should it be necessary, to call on “every male inhabitant” older than 18 to aid in enforcement of laws and ordinances.

### **Remissions and pardons**

Fourth-class city mayors maintain pardon and remission power at the city level equal to that of the governor at state level and the U.S. President at national level. The mayor can remit fines or forfeitures ordered by the municipal court and pardon or grant reprieve to ordinance violations. This authorization doesn’t permit the mayor to waive court costs or other costs of bringing the charge (79.220).

### **The presiding duty**

Perhaps the most important single duty of the mayor is presiding at meetings of the board of aldermen, which requires a lot of advance preparation.

It’s key to prepare each meeting’s agenda in advance. Because the notice of each meeting must include a tentative agenda, procedures must be in place for preparing the agenda. A well-organized city clerk can be a resource here. Rules of procedure should specify who may submit items for the agenda and a deadline for submission. Allow enough time that matters can be sorted and put into workable order before the agenda is posted.

The clerk should call roll at the beginning of each meeting. Roll call allows for official documentation in the minutes that a quorum is present and reminds aldermen they are now acting in an official capacity.

It also gives the meeting a formal start. During the meeting, the mayor and clerk can encourage the board to stay on task when moving through the agenda, making meetings more productive (and shorter!).

### **Some tips for presiding**

The chair does the recognizing — deciding who speaks and in what order. It's important to be fair in this role. Rules for discussion need to be established before the discussion begins; it's too late once deliberation starts. Only board members should discuss the motion under consideration, unless the board agrees that outside expertise is necessary. The mayor participates depending on past precedent and what current officials decide.

### **Motions**

- A motion failing to draw a second dies.
- A motion to table must be addressed immediately. If tabled, discussion ends.
- A motion to reconsider (vote again on a motion that has been decided) can be made only by an alderman who voted with the side who won the first vote.
- A motion to adjourn is a priority motion. Halt the discussion and vote.

When a roll call vote is required, the chair should call each alderman's name slowly so the clerk can properly document the vote in the journal. Improper recording in the journal can invalidate the board's action.

Be very careful when amending begins. Move slowly through the process so that each proposed amendment is written and verified with the member who proposed it. It's important that the aldermen know exactly what they are considering.

### **Making and removing appointments**

Unless the authorizing ordinance specifies otherwise, the mayor names persons to appointive offices of the city. The appointment doesn't become official until the board of aldermen gives its approval. Offices that statutes suggest for such appointment include (79.230) treasurer, city attorney, city assessor, street commissioner and night watchman. Cities can choose to make any of these elective posts. Since statewide reassessment, a city assessor today has little function. Any officer appointed may be removed. The mayor can remove most appointees at will, if a majority of the entire board of aldermen approve. But there are special rules for some. For example, the board of aldermen removes planning commission members, which requires the reason for removal be stated in writing and that it's done after a public hearing (89.320 [3]).

## **Removing elected officers**

The mayor may remove, for cause shown, any elected officer so long as removal is approved by a majority of all the members of the board of aldermen. Before removal, the officer must be given an opportunity to be heard, along with witnesses, before the board. The aldermen act as a board of impeachment during this hearing. Any elective officer, including the mayor, may be removed by a two-thirds vote of all the board's members. That same majority can remove an appointed officer despite the mayor's disapproval (79.240). The removal statute (79.240) authorizes the board to pass ordinances "regulating the manner of impeachments and removals." Should the city have none, regularizing the procedures by ordinance before they are needed is smart.

## V. City Clerk Powers and Duties

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### Selection and appointment

Most city clerks are appointed. However, in the past, many clerks were elected to the position. There are two main reasons for the change: residency and politics. All elected city officials must reside in the city, so many cities changed the office to an appointive one when voters elected a clerk living outside the city. Politically, a clerk can garner more support than an alderman and this could create problems. For example, there have been situations in which clerks who were elected citywide balked at orders from aldermen who were elected from part-city wards.

An ordinance should outline how to select the clerk and the post's general duties. To change the office from elective to appointive, the ordinance that provides for election needs to be repealed. To change the office from appointive to elective, an ordinance should be adopted.

### Functions of the clerk

The clerk is the city's business manager or office manager — even in cities that lack an office. The clerk handles all of the city paperwork. He or she receives the city's mail, prepares responses for the board to approve, makes purchases for the city between board meetings (with permission of the board) and conducts city business when the board is not in session.

### Records custody

Because the clerk receives, files and keeps city records, it's reasonable the he or she be designated the custodian of records as required by law (610.023). [A form for making this designation is in the back of this manual.] The custodian's name and contact information must be posted where city notices are posted.

### Tax extensions

The county clerk is to deliver an abstract of all the taxable real and personal property inside the city to the mayor on or before Oct. 1 (94.190 [3]). Then, the clerk extends the city's tax rate against each valuation total, an action that must be authorized by the board. Once this is done, the total amount due is charged against the collector and the books turned over to that person for billing and collecting (94.290). [See IX: Levying Property Taxes.]

### Municipal court clerk

The clerk may serve as clerk of the court, hearing ordinance violations. In a city with lengthy court dockets, a second person will be necessary. With light dockets, the clerk can handle these duties. [See VIII: Municipal Court.]

### City Clerk Powers and Duties

- Selection
- Functions
- Records
- Taxes
- Court
- Attestation
- Notices
- Other

## **Attestations**

The clerk's signature and the city seal (if there is one) attest that an ordinance has been properly adopted. On a warrant, it attests that the warrant has been drawn on the proper account and funds are available to cover the face amount when it becomes a check. On a resolution, the clerk's signature and city seal attest that the board has adopted it. On oaths, it attests that the subject official was properly sworn in. The clerk usually swears in newly elected officials following elections or appointments.

## **Notices, agendas, legal publications**

For every board meeting, the clerk must ensure that proper notice is posted within the required time and that a tentative agenda has been prepared in advance. Most often, it's the clerk's task to prepare each semi-annual financial report that the board must publish (79.160).

It's common for the clerk to also be the city budget officer (67.020). This official collects the necessary financial information to draft a proposed budget for board consideration. Because all fiscal information moves through the clerk's office, it makes the most sense to begin drafting the budget here. [See XII: Budgets and the Budget Process.]

## **Other duties**

As a city representative who is almost always available, the clerk's office often handles duties that do not easily fit into another office. The board is available monthly or biweekly; the collector is often only available during tax season; the treasurer is available monthly to sign and stub checks. The judge appears intermittently, as does the marshal or chief. Consequently, many miscellaneous tasks wind up on the clerk's desk. (This variety keeps the job interesting!)

## VI. Treasurer Powers and Duties

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### **Custodian of funds**

The city treasurer, selected by the board or elected if an ordinance so provides, becomes custodian of all city funds. The primary task is careful accounting of revenues and expenditures and careful allocating of each to the proper fund. The number of different funds necessary depends on the complexity of the city's operations, but a minimum of two funds are essential: a street fund and a general fund. Many smaller cities will need only these two funds.

### **Separate funds**

#### *Street fund*

The street fund segregates state gasoline tax and vehicle revenue-sharing proceeds, which are restricted as to their use. County Aid Road Trust (CART) money is allocated in monthly checks based solely on the official census population. These funds may only be used to "construct, reconstruct, maintain, repair, police, light, sign and clean" city streets. Only expenses that can be connected to one of these eight purposes are allowed (Const., art. IV, sec. 30(a)).

#### *General fund*

Most other expenses of the city and those that do not fit into other funds fall under general revenue. All expenses that are not street-related can be drawn from this fund.

#### *Bond fund(s)*

Should the city incur long-term indebtedness, a separate fund is required to segregate revenues to pay bonds and interest. These funds are collected and earmarked for payments as they become due; they cannot be used for other purposes. The levy amount is calculated anew each year, according to the city's assessed valuation. In addition to the payment(s) due during the budget year, an additional one year of future payments may be reserved. This is the upper limit on these funds.

#### *Other funds*

While the board may wish to establish other funds for specific purposes or to fund a particular operation, such as a park or library fund, exercise care to avoid creating too many funds. Fewer funds make the treasurer's job easier and result in an easy-to-understand semi-annual financial report for citizens.

### **Checks**

The city treasurer has the power to prepare finance reports and sign checks (this is sometimes handled by a finance director). As a general practice, two signatures are required on checks to protect against theft. The mayor often serves as the second signatory.

### **Treasurer Powers and Duties**

- Custody
- Funds
- Checks
- Financial statement

### **Financial reports**

The Office of Missouri State Auditor's Web site provides a financial statement form online at *auditor.mo.gov* under "Local Government." It's provided as an electronic form (Microsoft Excel) or as a paper version (PDF). A copy of the print version, with instructions, is provided at the back of this manual.

### **Financial statement**

Two different locations in the Missouri statutes require that the city file a financial statement. Chapter 79.160 requires that the board of aldermen "...spread upon their records a full and detail account..." of the city's financial activity over the last six months. The board of aldermen decides on a six-month cycle. For example, it may be in January and July or March and September so long as it's every six months. The statement must be published in a city newspaper. Chapter 79.165 provides that if the financial statement is not published as required, the treasurer shall not pay out any money until the statement is published. The treasurer who does so is guilty of a Class A misdemeanor.

Chapter 105.145 has a different set of requirements. These requirements are for all tax-levying subdivisions except counties and school districts. County and school districts have their own requirements. The requirements specify an annual financial report in "such summary form as the state auditor shall prescribe." A copy of this statement must be filed with the Office of State Auditor within four months of the end of the fiscal year. Penalty for failure to file is suspension of compensation and expense reimbursement for the board of aldermen until the statement is filed. Political subdivisions that do not file are listed under the local government section of the state auditor's Web site at *www.auditor.mo.gov/*

*The Office of State Auditor provides on the Web site an electronic form (Microsoft Excel) for completing this financial statement. A paper copy of the form is at the end of this guide.*

## VII. Marshal Powers and Duties

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### Selection and eligibility

Following approval by a majority of the voters, the board of aldermen may provide for the appointment of a police chief. If it doesn't, a city marshal shall be elected to a four-year term. The police chief or marshal may also be collector or a separate individual may be selected as collector (79.050). Chapter 79.050 also provides that "the marshal or chief of police shall be twenty-one years of age or older." Chapter 79.230 provides that the marshal may be appointed street commissioner.

The requirements for law enforcement training for fourth-class cities were significantly changed in 2001, when the Missouri General Assembly rewrote the law enforcement training rules (Ch. 590).

- First, the new rules state that any person who has the power of arrest is a peace officer (590.010 (3)).
- Second, any peace officer must hold a valid peace officer license (590.020 (1)).
- Third, this license requires at least 470 hours of law enforcement training (590.040 (1)). The same statute provides that the Police Officers Standards and Training Commission (POST) may set this minimum as high as 600 hours with certain exceptions.

Exceptions to the licensing and training requirements — that once existed for communities with fewer than 2,000 people or for departments with fewer than five officers — have been repealed. However, officers commissioned under small community rules prior to Aug. 28, 2001, with continuous service since or those continuously commissioned since Dec. 31, 1978, may continue to serve (590.020 [4][6]).

Statutes for fourth-class cities still specify that the marshal shall have 120 hours of training. Training may be during the first six months of employment. The POST rules render these provisions inapplicable.

The POST training is financed by a training charge on citations issued by trained officers (590.178).

To issue or accept a peace officer commission without proper training is a Class B misdemeanor (590.195 (1) [2] [3]).

### Duties

The marshal or police chief and all officers he or she oversees are charged with enforcing the ordinances in force in the city. In addition, they are charged with enforcing state law within the city limits. Unless officers have been deputized by their county sheriff, which many are, their power to enforce normally stops at the city's limits (85.610).

### Marshal Powers and Duties

- Selection
- Chief duties
- Arrest powers

## **Arrest powers**

The marshal and officers may make arrests on warrants, sworn complaints or when an offense is committed or attempted in the officer's presence. This includes ordinance violations and violations of state law (85.610). Citations issued by city officers are heard in the city's municipal court for ordinance violations and the associate circuit court for state law violations (See VIII: Municipal Court).

## VIII. Municipal Court

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### The options

The city may choose where and before whom city ordinance violations will be tried. The board of aldermen may appoint a resident or non-resident to serve as municipal judge. If city population exceeds 7,500 or if the city is in a first-class charter county, the municipal judge must be a member of the Missouri Bar (an attorney) or complete an approved course for municipal judges within six months of appointment (479.020).

A second option is to use the associate circuit court in the county as municipal court to hear ordinance violations. The courtroom may be the regular one of the judge at the courthouse or be in a “suitable courtroom” provided by the city and approved by the judge (479.060).

### Qualifications of appointee; costs

If the city chooses to appoint its own judge, that person must be at least 21 years old and less than 75 years old. The judge may not hold any other municipal office. The city determines salary of the judge and collected court costs become city revenue. Fines levied for ordinance violations become general city funds. If the city chooses to use the associate circuit as the municipal court, the salary of the judge is paid by the state and court costs becoming state revenues. In both cases, fines levied by the court are remitted to the city by the court.

### An important consideration

Whichever option is chosen, it’s crucial that the judge be familiar with the city’s ordinances and the reasons for their adoption. If the city chooses a judge who doesn’t live in the city, care must be exercised to ensure that he or she is aware of changes made to ordinances, those that have been repealed and new ordinances that have been adopted.

As a matter of policy, the board of aldermen should instruct the clerk to mail (by certified mail) or hand-deliver ordinance changes to the municipal judge.

### Court supervision and accounting

Whichever option is chosen, the municipal court remains a division of the circuit court and under supervision of the presiding judge of that circuit. Periodic reports are required. The state auditor will make periodic audits to examine the municipal and other court divisions. These audits often identify lax procedures for fiscal accountability.

The board should consider requesting regular monthly reports from municipal court. This allows the board to be up to date on fines assessed, portions collected, outstanding amounts owed and similar matters that may cause courts trouble.

## Municipal Court

- Options
- Qualifications
- Considerations
- Supervision

## Levying Property Taxes

- Situation
- Lien
- Procedure
- Adjustments

# IX. Levying Property Taxes

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## The situation

The city is authorized to levy, upon council passage of an ordinance, a tax of up to \$1 for every \$100 of assessed valuation (94.250). However, the passage of constitutional tax limitation in 1980 and court-ordered statewide reassessment in 1982-85 make this a more complex undertaking. The constitutional amendment provided that any tax not being levied when the amendment was adopted requires voter approval. The reassessment rollback set a tax-rate ceiling based on pre-reassessment revenues and new assessment valuations. These are explained below.

A maximum of 30 cents per \$100 assessed can be levied for up to four years at a time, provided the issue goes to the voters and receives a two-thirds favorable vote. The question is put on the ballot in one of two ways. The council can decide on its own to put the question on the ballot. Or it must put the question on the ballot when presented with petitions signed by voters equal to 5 percent of the total vote cast in the most recent mayor's election. The four-year increase may be renewed if voters approve by a two-to-one majority (94.250).

## The property lien

Taxes levied by the city become a lien against all taxable property in the city (94.190 [4]). Property may be sold for unpaid taxes in the same manner as it is for unpaid county taxes. Should the owner wish to redeem after a property has been sold for taxes, he or she has a deadline of two years from the day of sale and must pay all costs, penalties and 10 percent annual interest (140.340).

## Procedures necessary

Before a tax can be levied, the council must set the rate in a properly announced public session. The clerk must certify this to the county clerk before Sept. 1. Timing is crucial in order to get the rate extended on tax bills for the current year (67.110).

The set and voter-approved rate is levied against all taxable property assessed in the county, both real and personal. The clerk extends approved levies against valuations in the abstract and then charges the collector with collecting the full amount. [See V: Clerk, and X: Collector.]

## Adjustments required

Under a constitutional amendment, each year's assessed valuation must be compared with that of the prior year. Excluding new construction and improvements, to the extent valuation exceeds last year's plus the federally calculated cost of living, the rate must be reduced to produce the same revenue as before plus whatever new construction adds. The county furnishes new construction figures. (Const., art. X, sec. 22.)

A second calculation must also be made. If the assessed valuation increased, a tax-rate ceiling is established by statute (137.073). This is capped at either the most recent voter-approved rate or the rate that was levied in 1984. The intent is to provide no more revenue from the new (increased) assessed property valuation than was produced by the old assessed value plus the revenues from new construction and an inflation factor.

## Collector Powers and Duties

- Appointment
- Pay
- Option
- Settlement

# X. Collector Powers and Duties

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## Considerations

There are a number of options regarding the city collector. There should be an ordinance setting forth whether the position is elective or appointive, whether the term is two or four years, whether the collector and marshal posts are combined and compensation rates.

Many smaller fourth-class cities combine clerk and collector, although this is not specifically allowed by law and may be questionable. The clerk extends taxes and charges the collector with collecting them. When the position is combined, it's important that the collector not report to himself. Cities with a combined position turn over collection to the treasurer.

## Pay of the collector

Most cities fix a percentage of collections as compensation for the collector. The statutes do not provide a percentage, and there is a great deal of variation. The percentage should be a fair reflection of the collector's time and the responsibility of being personally responsible for all due taxes. However, the amount should not be sizeable enough that it causes resentment or problems among the unpaid or barely paid aldermen.

## An option

Statutes do provide that, in all except charter counties, the city may contract to have city taxes included in the bill sent to residents by the county (50.332). The county, the city and the county collector must all agree to this option, which allows the city to avoid creating the position of collector.

There are advantages and disadvantages to this arrangement. Inevitably, including city taxes on the county bill that includes school taxes and all other taxes will increase collection percentages — usually from the low-70s to mid-90s in percentage paid. But the absence of a collector may result in the city clerk taking on more duties such as selling merchant's licenses.

## Annual settlement

A date should be set by ordinance for annual final settlement. At this time, the collector turns over all taxes collected. This amount, when the delinquent list also provided is added, should equal the amount that the collector was originally charged. The collector and board of aldermen should make a strong effort should to keep delinquent lists as short as possible. Letting some slide is not fair to those who pay.

# XI. Meetings, Records and Votes

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## The Sunshine Law

The Open Meetings and Records Law covers all political subdivisions in Missouri, including cities. Its basic intent is clear: “It’s the public policy of this state that meetings, records, votes, actions, and deliberations of public governmental bodies be open to the public unless otherwise provided by law” (610.011). This section also instructs courts to liberally interpret the openness requirement and to strictly limit exceptions. This policy applies to all meetings of the board and all authorized subcommittees of the board, even if a subcommittee doesn’t constitute a quorum of the full board. Fines for violations range as high as \$5,000 per individual, plus attorney’s fees (see below), so care should be taken to do city business in public.

## Kinds of meetings

There are only two kinds of meetings possible: open or closed. There are few authorized reasons for a city to conduct a closed meeting. Always review the details of Ch. 610, sec. 021 before deciding to close a meeting for any reason. Meetings may be, but do not have to be, closed for the following reasons:

- Legal actions, but only if the city is suing or being sued;
- Real estate transactions where public knowledge may affect the price;
- Hiring, firing, promoting or disciplining of particular employees where personal information about the employee is either discussed or recorded. Unless a specific person is discussed, a closed meeting is not possible;
- When specifications are being prepared for a bid call, lasting until the call is publicly announced;
- For sealed bids received until the bid opening;
- If city employees are organized and collectively bargain, preparations for contract negotiations; and
- Pre- and post-audit conferences.

## Closing a meeting

It’s necessary to vote during an open meeting to hold a closed meeting for one of the specific authorized purposes. Notice must be given 24 hours in advance of the closed meeting and cite the specific section authorizing the closing by number. Legal actions is 610.021 [1], real estate is 610.021 [2], and personnel is 610.021 [3]. Meetings to open bids may be closed (610.021 [12]) until a contract is awarded or all bids are rejected. Bid specification preparation is 610.021 [11]. Preparation for contract negotiations is 610.021 [9]. Audits is 610.021 [17].

## Meetings, Records and Votes

- Sunshine Law
- Meetings
- Closing a meeting
- Open meetings
- Participation
- Minutes and votes
- Records
- Copies
- Penalties
- Advice

### **More on open meetings**

The Web site of Missouri's Office of the Attorney General provides detailed explanations of the state's Sunshine Law. Online at [ago.mo.gov/sunshinelaw](http://ago.mo.gov/sunshinelaw).

Because of the possibility of terrorist threat, additional purposes for closed meetings were added: 610.021 [18] for plans for law enforcement and public safety response to a suspected terrorist act and 610.021 [19] for security systems for publicly owned or leased real property. Subsections 18 and 19 expire at the end of 2008. Protection of computer system designs is 610.021 [20] and 610.021 [21] protects credit card numbers and other personal information from public disclosure.

### **Open meetings**

For all meetings, except in extreme emergency, you must give public notice 24 hours in advance. This doesn't need to be complicated. Establish an accessible place to post the notices. The law says, "in a manner reasonably calculated to advise the public." The notice must contain a tentative agenda for the meeting. Be sure it always includes: "and such other matters as may come before the board" to cover unanticipated issues that may arise. The clerk (or whoever posts the notice) should write on a corner "Posted (time, a.m. or p.m.; date)" in case challenge should be made. Notice forms are in the back of this manual.

### **Public participation**

The public is allowed to attend meetings. They are not allowed to participate unless the board permits it. Whether or not to allow participation should be discussed before there is a roomful of angry citizens all wanting to make complaints. If the board chooses to allow the public to speak at meetings, it should set a time limit for comments in advance. Public, remember, is not restricted to citizens of the city. If a reporter from your local newspaper or the *New York Times* wants to attend a meeting, he or she may do so.

### **Minutes and votes**

Minutes of open meetings "shall be taken and retained" and must include the date, time, place, members present and a record of votes (610.020[7]). Record votes by member name. When the clerk prepares the agenda, each item should include board members' names at the end, such as "Jones \_\_\_\_\_, Smith \_\_\_\_\_, Brown \_\_\_\_\_". Then either "yea" or "nay" can be jotted in the blank after voting takes place. The law states, "When a roll call vote is taken, the minutes shall attribute each 'yea' and 'nay' vote or abstinence if not voting to the name of the individual member of the public governmental body." The safest practice is to follow this procedure for every vote.

### **Records: care and custody**

Every public governmental body must formally designate someone as custodian of records. For cities, this should probably be the clerk, as Chapter V. stated. The name and contact information for this person must be publicly posted (610.023).

All records of the city, with very few exceptions, are open to the public. The deadline to respond to requests for records is three business days. Sealed bids may be kept closed until the opening date. Personnel records beyond name, position, salary and length of service can and should be kept closed such as evaluations, reprimands or sick days used (610.021).

### **Charges for record copies**

The city may recover the actual cost of making copies of records for people. There is a limit of 10 cents per page on photocopying of letter and legal size pages. The city may also recover the cost of staff time spent duplicating records, up to the average rate of pay for clerical staff. Research time may be charged at full cost. The city should be prepared to document these charges. The clerk can require payment before producing the records (610.026).

### **Violations and penalties**

Any person can challenge a public governmental body with violating this law. Once the challenger demonstrates to a court that the body is covered, it becomes the task of the public governmental body to prove it did not violate the law's requirements. If the board is found to have knowingly held an improper closed meeting, each member who voted to close and who participated in the meeting is subject to a fine of up to \$1,000, plus court costs and attorney fees for the challenger. If the closed meeting was purposely held, the penalty is \$5,000 per participant, plus court costs and attorney fees. In addition, the court usually nullifies any decisions made at the improperly closed meeting, leaving the board to conduct the meeting again.

### **A word of advice**

It's the underlying presumption of this law that the public has a right to watch public business being transacted. This is hardly revolutionary. Citizens have a right to be concerned since decisions will impact them and spend public funds. Whenever possible, stress openness. Skeptical Missourians, when convinced no one is trying to hide anything from them, generally lose interest quickly. Operating in secret may make the public feel that you're hiding something.

## **Budgets and the Budget Process**

- Rules
- Budget officer
- Contents
- The hammer rule
- Changes
- Retention
- Year
- Failure to adopt
- Long-term purchases
- Lease-purchase
- State auditor concerns

## **XII. Budgets and the Budget Process**

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### **Budget rules**

Not a single cent of public money can be spent until a budget has been formally adopted following procedures set out in the statutes (67.010). While there are no budget police or squads of inspectors general making sure that everyone complies, that doesn't mean this requirement cannot be enforced. City funds are public money.

John Ballard recounts that some years ago, a small city had no city budget and one cantankerous citizen. The citizen filed suit. The court only had to glance at the law before freezing all of the city's income and outgo. The city couldn't pay city employees or its bills — everything was put on hold. The city quickly scratched down some figures and gave them to the judge. He was not impressed. Step by step, the city had to go through the statutory procedures. Remember, almost every entity (even a city) has a cantankerous citizen.

### **The budget officer**

Every political subdivision must designate someone as budget officer (67.020) who prepares a proposed budget for the board. This may be the clerk. Everyone connected with the city must provide the budget officer with any requested facts or figures. The budget officer prepares a draft and then gives it to the board. The board may, as often as is necessary, give it back for revisions before adopting it (67.030).

### **Budget contents**

At a minimum, the budget must have: (1) A budget message that clarifies changes from the prior budget; (2) Estimates of revenue for the coming year, the current year and the prior year; (3) Estimates of spending for the coming year, the current year and the prior year; (4) Listing of note payments due the coming year and report of balances remaining; and (5) A summary. The budget must balance (67.010).

Notice that much of the budget is the budget officer's educated guess. Future revenue is not known and even the current year total is not complete. The last solid figures come from two years ago. The same for spending. The current year is unfinished and the next year is an educated guess. Because of this, budgets are subject to revision as the budget year progresses. Neither budget officer nor board can anticipate everything that will happen 13 or 14 months in the future.

### **The budget hammer rule**

"No expenditure of public moneys shall be made unless it's authorized as provided herein" (67.080). Statutes are very clear on this point.

Unless there has been a formal resolution to adopt, accepted by a majority board vote, no funds can be spent.

### **Budget changes**

Any increase in spending above what has been budgeted during the course of the year must be approved by board resolution (67.040). The resolution must, statutes say “set ... forth the facts and reasons making the increase necessary ...” Internal transfers may be made from one fund to another, so long as they do not put the budget out of balance. Total spending can be no more than revenues received, plus any balance on hand at the year’s beginning.

### **Retention of paper**

Documents related to the budget must be kept on file for three years. These are public records, open to being viewed on request by anyone during reasonable hours (67.060).

### **Budget year**

The budget law doesn’t specify the city’s fiscal year. The fiscal year, by board decision, can begin any month. When to begin and end the city fiscal year is a matter the board should consider in terms of cash flow and report needs.

### **Failure to adopt**

Should the board fail to adopt a budget by the start of the city fiscal year, the last-adopted budget remains in effect until the new budget is adopted. This means that any spending cannot exceed that in the last budget (67.070).

### **Long-term purchases**

The board cannot financially obligate its successors in office. Any purchase that costs more than the year’s anticipated revenue plus balances on hand requires voter approval of a bond issue. Bonds require an exceptional majority, usually two-thirds, and become a lien against all taxable property in the city.

### **Lease-purchase**

Many public entities dodge the bond issue requirements through lease-purchase. In doing this, the agreement must be “subject to future appropriations” and can be cancelled by a new board when elected, even if board membership doesn’t change. This puts the vendor at additional risk, which is usually factored into the price quoted. Use this approach with caution.

## **State auditor concerns**

The Missouri state auditor performs audits on public entities when a sufficient number of taxpayers have signed a petition requesting such an audit. For more information on petition audits see: [auditor.mo.gov/local/petition.htm](http://auditor.mo.gov/local/petition.htm). The state auditor issues several petition audits every year. It's good to review past audit reports, which are available at the state auditor's Web site ([auditor.mo.gov/](http://auditor.mo.gov/)). The state auditor recommends you establish certain policies and good auditing practices, which you will not find in any Missouri statute.

For example, the state auditor believes public entities should always have a current inventory of all their equipment and other property. That makes sense. It's suggested that you inventory all the equipment owned by the city, including not just vehicles and large equipment, but also computers, chairs, file cabinets, etc. Label each one and keep a list in a computer file or other file so you always know what you have.

In its reports, the state auditor has chastised local jurisdictions for not having a travel reimbursement policy, not bidding health insurance (if offered) every three years (as required by law), not having a vehicle use policy, credit card use policy, or a cell phone use policy, etc. It has criticized local jurisdictions that do not keep close records on maintenance for trucks and other vehicles.

You might ask your city clerk to download some of these reports as a way of educating the aldermen and city employees to learn sound financial management. Local governments have suffered losses (including by embezzlement) when basic accounting practices are not followed, or when there is little, or no, segregation of duties.

## **XIII. Bids and the Bidding Process**

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### **The legal requirements**

A city can decide for itself at what dollar-level bids must be taken. This decision should be by official board resolution. A good set of general rules is in Chapter 50.660, the rules governing contracts for counties and cities. These have frequently been recommended in audits to other political subdivisions.

Statutes say “to the lowest and best bidder.” All bid announcements should include this statement to avoid awarding a contract to bidders who promise more than they can deliver or vendors of inferior product or shoddy service over responsible vendors. The statute also says bids should be awarded “after due opportunity for competition,” but this is sometimes difficult for a city to do.

### **Phone bids**

Seeking bids by telephone is perfectly acceptable and often necessary. However, phone bids need to be treated in the exact same matter as submitted written bids. Design a simple form for soliciting phone bids that lists the firm, the date, the person speaking on behalf of the vendor, the person speaking on behalf of the city, what was offered and for what price. This is the same information that would be on written bids. A form is in the back of this manual.

### **Bid file folders**

Make a file folder for every item the city bids. It should contain a copy of the announcement, the specifications, written bids received, telephone bids solicited, the contract along with the affidavit of publication of the notice. Specifications can be kept closed until public announcement of bid-letting is made (610.021 [11]). Sealed bids can be kept closed until bid opening (610.021 [12]). It’s a good idea to seal phone bids after the paperwork has been completed until the opening.

### **Rejecting bids**

Every bid call should include the words: “The city reserves the right to reject any and all bids.” This is necessary because often bidders will offer to provide things different than what the city is seeking. If the bids received do not meet the specifications announced, they should be rejected even though this slows down the process.

### **Drawing bid specifications**

It’s not easy or simple to draw specifications. Be cautious if suppliers offer help — they may arrange specifications so only their product fits. This nullifies the “due opportunity for competition” statutes mandate.

## **Bids and the Bidding Process**

- Law
- Phone bids
- Folders
- Rejection
- Specifications
- Sole source
- Contracts

## **Sole-source suppliers**

It's easy to assume there is only one supplier who can furnish what the city wants. Remember, it was because of sole-source suppliers that the military purchased \$600 toilet seats. There is almost always more than one supplier that can furnish an acceptable product.

## **Contracts must be in writing**

Fourth-class cities are not required to pay for any product, good or service unless there is *first* a written contract. Missouri has a special rule (432.070) designed to protect all local governments. While private individuals and private businesses can be held liable for oral agreements (such as inventory ordered over the telephone) or "quasi-contracts" (inventory that is ordered, delivered and displayed for sale), these principles don't apply to governments in Missouri. Thus, if your city receives a bill for an item that you don't remember ordering and don't want, you may refuse to pay the bill. Unless the vendor can produce a properly signed contract, it will be unable to collect on the bill.

## **XIV. Personnel and Records**

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### **Cities are employers**

Many cities do not think of themselves as employers requiring personnel policies — most have few employees and somewhat informal work arrangements. However, even a city with just a single employee must have an employer ID number, withhold income and social security taxes from wages and pay state unemployment insurance. As a result, cities should formulate and adopt comprehensive personnel policies. These policies should be adopted by the board, but do not need to be in the form of an ordinance.

### **Cities are public employers**

Cities are public employers under the Fair Labor Standards Act (FLSA) and must keep certain records. Every employee (even if they are few in number) must have a workweek on record. They must agree to accept compensatory (comp) time off in lieu of overtime pay or it must be a condition of employment when hired (unless the city chooses to pay overtime in wages). Any time hours worked during the workweek exceed 40, employees must be compensated time and one-half in compensatory time or in wages. Most public employers use comp time instead of wages.

### **Wage hourly equivalent**

Regardless of how one is paid, every employee must have an hourly equivalent wage on record. This is the figure used for calculating overtime rates. If the employee is paid on a basis other than hourly, the equivalent is calculated by dividing the annual salary by total hours worked in one year.

### **Allowable maximum**

An employee may not accumulate more than 240 hours of comp time. Should an employee hit that mark, all additional overtime must be paid in cash at 1.5 times the employee's hourly wage. For example, 240 hours of compensatory time represents 160 hours of overtime work.

### **Separation of employee**

When an employee quits, retires, passes away or is fired or laid-off, all recorded comp time must be paid in cash. The rate of pay should be equal to the employee's final rate or the highest rate over the three years prior to separation — whichever is a higher rate. Accrued compensatory time is a city liability, so timesheets need to report comp time earned in each period as a matter of record beyond just the employee's own record.

### **Taking compensatory time**

Once comp time is earned, it's the property of the employee and may be taken when the employee desires (within what is reasonable). Under a U.S. Supreme Court ruling in 2000, an employer may require an employee to use accrued compensatory time.

## **Personnel and Records**

- Employer
- Public employer
- Wage
- Maximum
- Separation
- Comp time
- Other benefits
- On-call
- Overtime
- Investigations
- Volunteering
- Exemptions
- Police
- Work period

## **Other common benefits**

The FLSA doesn't address holidays, vacation, Sundays, sick leave or any other common employee benefits. It's a city's decision to offer these benefits.

## **On-call time**

City employees are often on-call. Whether or not to pay an on-call employee for hours not actually at work depends on time. For example, if employees are expected to show up within 10 minutes of being called, the court usually decides (under the FLSA) that they should be paid for every hour that they are on-call.

## **Declining overtime hours**

An employee may not decline overtime hours. It may be worth remembering that the original FLSA (passed in 1937) was intended to create more jobs and reduce the number of unemployed by replacing the 60-hour workweek with a 40-hour workweek. The FLSA was not passed to advocate for workers.

## **Investigations of violations**

If an employee makes a complaint, the Department of Labor will launch an investigation. It often finds violations — and nearly always in record keeping. The department can assess penalties two years prior to the date that the complaint was filed or three years if the employer purposely tried to dodge the law. Penalties can also be doubled. This is a risk not worth taking. Keep overtime records.

Another reason to keep impeccable records: An investigation of possible violations will examine the work records of every employee — even those the city counts as exempt from coverage — not only the employee who filed a complaint.

## **Volunteering**

Generally, an employee cannot volunteer to do the same work for which he or she is paid. While a city employee may volunteer to do work for a county, volunteering for the city equates to hours that must be paid. This would probably hold true even if an office secretary volunteered to read water meters.

## **Exemptions**

Three classes of employees are exempt from overtime and minimum wage coverage: executive, administrative and professional workers. Each class is tightly defined. Executive must have the authority to hire and fire employees, make management decisions and supervise at least two workers. Weekly salary must be at least \$455. Administrative must require at least 80 percent of work time at a desk, do administrative tasks and exercise independent judgment. Weekly salary must be at least \$455.

Professional must have completed a recognized program of training (usually a master's degree), meet the pay criteria and exercise independent judgment.

Exempt employees must be paid on a salary basis and are not subject to docked pay, except for dangerous safety violations, regardless of hours worked. It's risky to pay overtime to an exempt employee because it may appear that the employee is hourly rather than salaried.

### **The small police department exemption**

If fewer than five officers have the power of arrest, police officers can be completely exempt from the law's overtime requirements. Minimum wage still applies, but not the time-and-one-half rules. The five-count includes the elected marshal if there is one.

### **The optional work period**

Under the Fair Labor Standards Act (Section 207 (k)), law enforcement personnel that have the power of arrest can have a schedule that allows more hours worked before overtime pay begins. At the city's option, officers can work 28-day schedules, with time and one-half beginning when worked hours exceed 171. This means that overtime begins when an officer works more than 42.75 hours in a week.

The work period and the pay period do not have to coincide. Using the 28-day/171-hour schedule translates into 13 work periods every 12 months. Employees on this schedule may accumulate 480 hours of compensatory time before overtime hours worked must be paid in cash. This represents 320 hours of overtime work. Most public safety employees get the 480 hours regardless of basis.

## **XV. Nepotism: Appointing Relatives**

- Constitution
- Relationship
- Consanguinity and affinity
- Prohibitions

## **XV. Nepotism: Appointing Relatives**

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### **The constitutional provision**

The Missouri Constitution, in Article VII, Section 6, is direct and to the point. An official or public employee who appoints a relative forfeits his or her office or job. This happens at the time the appointment is made. Appointment doesn't have to be to a paid position. "Any public officer or employee in this state who by virtue of his office or employment names or appoints to public office or employment any relative within the fourth degree, by consanguinity or affinity, shall thereby forfeit his office or employment."

### **Degrees of relationship**

All relatives have a common ancestor. Degrees are calculated by counting from the one back to the common ancestor and then forward to the other. For example, first cousins (the children of siblings) are related in the fourth degree — from A to the parent to the grandparent to B's parent and then to B. Sisters are related in the second degree: from A to the parent and then to B.

### **Consanguinity and affinity**

Consanguinity and affinity are fancy ways of saying by blood or by marriage. A daughter and daughter-in-law count exactly the same. Spouses count as a unit, so relatives of either are equivalent relatives of both. It's not clear whether or not ex-relatives remain related.

### **What is forbidden**

The section forbids appointing. An official who abstains from voting when a relative is under consideration violates nothing. A person elected to the same appointment that was previously held by a relative violates nothing. Brothers can be on the board together because voters appoint them. Now, if the city clerk hires his or her son to make repairs to the streets, the clerk forfeits his or her job and the improperly appointed son keeps his job. Making the appointment is outlawed. If the board should hire the same son for the same job, no problem.

## **XVI. Conflict of Interest**

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### **What the law says**

The conflict of interest law provides that officials will not do business with themselves (105.450-.466). It says officials may not be paid nor receive anything of value for official actions beyond the statutory salary; they may not use information gained in an official capacity to benefit themselves or another; and they may not use official acts to benefit spouse or children (105.452). These rules apply to elected officials and all public employees.

### **Working for and/or renting to the city**

When an elected or appointed official does work for the city, payment beyond regular salary is limited to \$500 per transaction and \$5,000 per year. The rent, sale or lease of property is limited to the same amounts (105.454). An exception is allowed if an official's bid is lowest (not lowest and best, but absolute lowest dollar) in a competitive bid. Board members are prohibited from working for the city for pay (105.458), but they may sell, rent or lease within dollar limits upon low bid. The dollar limit's firm, regardless of circumstances. Any work beyond \$5,000 is unpaid, *period*.

### **Officials' business interest**

The law likewise limits payment of \$500 per transaction and \$5,000 per year to businesses affiliated with officials or officials' family members. Substantial interest in a business is defined as an official or family member owning 10 percent or more, having an interest worth \$10,000 or more, or drawing \$5,000 or more annual salary. For example, if the mayor's son works at Hardee's and earns more than \$5,000 per year, the mayor has a substantial interest in Hardee's and the city Christmas party should probably be held somewhere else.

### **Complaint procedure**

The Missouri Ethics Commission usually investigates complaints regarding conflicts of interest and it may refer a complaint to the county prosecutor.

### **Penalty for violation**

The first conviction for violating the conflict of interest law is a Class B misdemeanor, maximum punishment six months' confinement, \$500 fine. Every additional offense is a Class D felony, maximum punishment five years' confinement, \$5,000 fine.

### **The bid exception**

The exception above, when the officials' bid is lowest (NOTE: not lowest and best, but absolute low dollar) covers the official's work for, sale to or rental to the city.

## **Conflict of Interest**

- Law
- Working
- Business conflicts
- Complaint
- Penalty
- Exception
- Ban term

### **How long does this last?**

The conflict of interest law applies to those serving in office or working for a public entity a full year after they no longer hold the appointment or position. This “follow-on ban” also requires that the person doesn’t influence city decisions or deal with any matter that came before the city while the person was in office or working for the city.

## **XVII. Bond Issues**

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### **What are bonds?**

When the city needs long-term financing, it may issue a bond to raise funds. There are two types of bonds: general obligation and revenue. General obligation bonds put up all taxable real estate and personal property in the city as security — borrowing against all property in the city. Revenue bonds put up only the future revenue generated by what the borrowing buys.

### **General obligation**

Since general obligation bonds put a lien against every taxable property in the city, they are more tightly controlled. Commonly called GO bonds, they can be issued only after voters approve by an exceptional majority. A majority equals four-sevenths or 57.1 percent at high-turnout elections (August and November in even-numbered years and April). Majority must reach two-thirds or 66.7 percent at low-turnout elections (August and November in odd-numbered years and February, March or June). The bond is redeemed through an annual property tax levy. Should a city default on general obligation bonds, every taxable property in the city would have a proportional lien for its share placed against it. Property could be sold at auction for non-payment (Const., art. VI, sec. 26).

### **Revenue**

Revenue bonds are issued to pay for revenue-producing operations. For example, building a toll bridge. The amount borrowed to build the bridge commits only the tolls collected to loan payments. Common uses of revenue bonds include water and sewer infrastructure. A simple majority of voters can authorize most revenue bonds and a majority vote of the board can authorize industrial development revenue bonds.

### **Interest rates**

As political subdivisions, cities can issue bonds that are exempt from both state and federal income taxes. This makes both types of bonds attractive to investors and enables borrowing at lower interest rates.

### **Loan term**

Generally, Missouri laws permit borrowing for no more than a 20-year term. When borrowing is from federal sources, their rules may be different and allow longer terms. In any case, the reserves laid by for repaying bonds can be no more than amounts necessary to make the current year's payments, plus one year more. With GO bonds, each year's assessed valuation is calculated against payment amounts needed (the dollar value of annual bond payments) to establish the levy amount necessary that year.

## **Bond Issues**

- Bond types
- General obligation
- Revenue
- Interest
- Term

## **Elections**

- Timing
- Posts filled
- Deadlines
- Conducting

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# **XVIII. Elections**

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## **When elections are held**

City elections are held on general municipal election day. This is the first Tuesday after the first Monday in April (115.121). Elections are held annually.

## **What posts are filled?**

Because terms are staggered, half of the aldermen are elected each year. The mayor, unless the four-year option has been exercised, is on the ballot alternating years (see chart on page 3). If an elected post is to be changed to appointive, the change may not take effect until the term of the elected official is completed.

No person may file for election to city office who is “in arrears for any unpaid city taxes or municipal user fees on the last day to file a declaration of candidacy” (115.346).

## **Deadlines and payment**

Each county has an election authority — a board of election commissioners or the county clerk. These offices operate under statutorily fixed deadlines. They allocate election costs among the entities with issues or candidates on the ballot, based on the number of potential voters at the election. Elections in April are the least costly, with registered voters counting once in a school district, once in a municipality if they live in one and once in each special district where they live.

The election authority sends notice to the city of the deadline for having material certified for the ballot to the election authority’s office. The authority should also send a bill for the estimated cost-share of the city for the election. The cost-share is to be paid before the election is held. Not all election authorities demand payment up front, despite this law.

When deadlines are missed, courts may and have intervened. Election issues go to the top of the docket because time is of great importance. Cities have been forced to hold costly special elections when deadlines pass unnoticed.

## **Conducting elections**

The election authority conducts all elections. The city may, by board resolution, opt to conduct its own election, but little is gained with this option. Essentially, the city clerk becomes a county clerk within city limits and the election must follow exactly the same rules as if the county were conducting it.

# **XIX. Disincorporation**

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## **Disincorporation**

- Procedures

### **Authority and procedures**

The county commission must order an election on disincorporation if presented with a petition for disincorporation that contains signatures of half the city's registered voters. A published notice needs to contain petitioners' names and a petition copy, and it needs to be published in the local newspaper for four weeks. The ballot question is simply, "Shall the city of \_\_\_\_\_ be dissolved?" If 60 percent or more of voters vote in favor, the county disincorporates the city (79.490).

If petitioners present signatures of 60 percent of the city's registered voters and the city has less than 100 residents by census count, an election is not necessary. The county simply disincorporates the city (79.495).

All contracts that the city has at the time of disincorporation remain in effect. The county appoints a trustee to oversee disincorporation details. The trustee collects money due to the city, pays bills outstanding against the city, sells the city's property and takes care of all other city business. Statutes say the trustee has the power "generally to do all acts requisite to bring to a speedy close all the affairs of the corporation" (79.520).

The trustee may hire an attorney if needed and reports progress to the county commission. That body may award reasonable compensation to the trustee. When finished, the trustee makes final settlement with the commission. All city papers still in hand are turned over to the county clerk.

**Changing Status —  
Other City Options**

- Procedures and changes

**XX. Changing Status — Other City Options**

**Eligibility and procedures**

Any fourth-class city reaching an official population count of 3,000 may become a third-class city if it chooses. This happens very infrequently. Most fourth-class cities with a population of 3,000 conclude that the benefits do not outweigh the cost of holding an election. Similarly, a fourth-class city may change its status to village, though this has not been known to happen.

The board adopts an ordinance calling for election on the question. The election must be held not less than 20 days and not more than 30 days after ordinance adoption. Consider timing when making the change. Should the voters consent, the mayor becomes temporary mayor and the aldermen become temporary aldermen or village trustees until the next municipal (April) election (72.070). The chart below shows some of the differences between the three classes of municipalities.

	<b>Village</b>	<b>Fourth-Class</b>	<b>Third-Class</b>
Elections	At-large	By ward* (two minimum)	By ward* (four minimum)
Presiding officer	Chairman elected by board	Mayor elected by voters	Mayor elected by voters
Veto power	No	Yes	Yes
Pardoning power	No	Yes	Yes
Basic bonding capacity	5% of valuation	10% of valuation	10% of valuation
Basic tax rate	\$0.50	\$1.00	\$1.00
General sales tax**	\$0.01	\$0.01	\$0.01
Transportation sales tax**	\$0.005 (200 minimum pop.)	\$0.005	\$0.005
State gasoline tax fee sharing	By census population	By census population	By census population
Capital improvements sales tax	1/8 – 1/2 percent	1/8 – 1/2 percent	1/8 – 1/2 percent

\*Ward lines must be reviewed and redrawn after each decennial census.

\*\* Except St. Louis County

# Sample Forms for Fourth-Class Cities

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(The following are examples of forms referenced in the text)

**Notice of Meeting** *(See page 8 of manual.)*

(1 page)

Informs of the meeting and the tentative agenda

**Resolution for Appointment of Custodian of Records** *(See page 11 of manual.)*

(1 page)

Meets Missouri Sunshine Law requirements, RSMo. Chapter 610

**Accounts Payable and Payroll Check Register** *(See page 13 of manual.)*

(1 page)

Greatly simplifies creation of the financial statement

**Notice of Closed Meeting** *(See page 21 of manual.)*

(1 page)

Required if a closed meeting is scheduled

Indicates the statutory authorization for closing the meeting

**Financial Statement and Instructions** *(See page 14 of manual.)*

(6 pages)

Every city is required to complete and approve

Electronic version in Microsoft Excel available at the state auditor's

Web site, [auditor.mo.gov](http://auditor.mo.gov)

**Fourth-Class City Real Estate and Equipment Inventory Record** *(See page 26 of manual.)*

(2 pages)

Required as part of the financial statement

**Telephone Bid Form** *(See page 27 of manual.)*

(1 page)

Documents contacts made for purchase decisions

# Notice of Meeting

Date and time of posting: \_\_\_\_\_

Notice is hereby given that the \_\_\_\_\_  
will conduct a meeting at \_\_\_\_\_ o'clock on \_\_\_\_\_  
at \_\_\_\_\_ (location).

The tentative agenda of this meeting includes:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_

and such other matters as may come before the Board

***To be posted "in a manner reasonably calculated to advise the public"  
at least 24 hours in advance.***

## Resolution for Appointment of Custodian of Records

**Whereas, Section 610.023.1** RSMo. provides that a public governmental body is to appoint a custodian who is to be responsible for the maintenance of that body's records and the identity and location of the custodian is to be made available upon request, and

**Whereas, Section 610.026.2** RSMo. provides that a public governmental body shall provide a reasonable written policy in compliance with sections 610.010 to 610.035 RSMo., commonly referred to as the Sunshine Law, regarding the release of information on any meeting, record or vote,

### Now therefore be it resolved:

1. That \_\_\_\_\_ be and hereby is appointed custodian of records of \_\_\_\_\_, and that such custodian may be contacted at \_\_\_\_\_.
2. That said custodian shall respond to all requests for access to or copies of a public record within the time period provided by statute except in those circumstances authorized by statute.
3. That the fees to be charged for access to or furnishing copies of records shall be as hereinafter provided, which fees do not exceed the actual cost. See attached list for itemized charges.
4. That It's the public policy of \_\_\_\_\_ that meetings, records, votes, actions and deliberations of this body shall be open to the public unless otherwise provided by law.
5. That \_\_\_\_\_ shall comply with sections 610.010 to 610.035 RSMo., the Sunshine Law, as now existing or hereafter amended.

**Adopted:** by the \_\_\_\_\_ Aldermen Board of

\_\_\_\_\_ County in regular session this

Day of \_\_\_\_\_, \_\_\_\_\_.

Attest: \_\_\_\_\_, Clerk of \_\_\_\_\_ City



# Notice of Closed Meeting

Date and time of posting: \_\_\_\_\_

Notice is hereby given that the \_\_\_\_\_

having duly voted to close its upcoming meeting as authorized by

Chpt. 610.021, \_\_\_\_\_ RSMo., will conduct a closed meeting at

\_\_\_\_\_ o'clock on \_\_\_\_\_

at \_\_\_\_\_ (location).

- |                   |  |
|-------------------|--|
| <b>610.021.1</b>  | <b>Legal actions involving a public governmental body.</b>   |
| <b>610.021.2</b>  | <b>Leasing, purchase or sale of real estate where public knowledge would tend to effect price.</b> |
| <b>610.021.3</b>  | <b>Hiring, firing, promoting or disciplining of a specific employee.</b>                           |
| <b>610.021.9</b>  | <b>Preparation for contract negotiation.</b>   |
| <b>610.021.11</b> | <b>Preparation of specifications for a bid-letting<br/>(released when publicly announced)</b>      |
| <b>610.021.12</b> | <b>Sealed bids and related documents<br/>(released when contract is awarded or bids rejected)</b>  |
| <b>610.21.17</b>  | <b>Audits</b>  |

See Ch. 621, Section 021 for additional authorizations

*To be posted "in a manner reasonably calculated to advise the public"  
at least 24 hours in advance.*

# Financial Statement

\_\_\_\_\_  
(Political Subdivision Name)

\_\_\_\_\_  
\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Email Address)

**CERTIFICATION**

I \_\_\_\_\_, \_\_\_\_\_ of  
(Name - please print) (Title)

\_\_\_\_\_ of \_\_\_\_\_ do attest, under oath, this  
(Political subdivision) (County)

report is a true and accurate account of all financial transactions for the year ended \_\_\_\_\_.  
(month, day & year)

Signature \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Notary public signature)

(Notary seal)

My Commission Expires: \_\_\_\_\_

**Financial Statement Summary**

For the Year Ended \_\_\_\_\_

	Total All Funds	General Fund	Fund	Fund	Fund
Beginning Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Receipts	_____	_____	_____	_____	_____
Total Disbursements	_____	_____	_____	_____	_____
Ending Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

**Receipts**

	(Political Subdivision Name)				
	Total All Funds	General Fund	Fund	Fund	Fund
Property Tax					
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total (101)	_____	_____	_____	_____	_____
Sales Tax					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total (109)	_____	_____	_____	_____	_____
Franchise Tax					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total (115)	_____	_____	_____	_____	_____
Intergovernmental Receipts					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total	_____	_____	_____	_____	_____
Charges for Services					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total	_____	_____	_____	_____	_____
Utility Receipts					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total	_____	_____	_____	_____	_____
Interest Earned (120)	_____	_____	_____	_____	_____
Other Receipts and Transfers					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Interfund Transfers	_____	_____	_____	_____	_____
Total	_____	_____	_____	_____	_____
Total Receipts	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____



**Statement of Indebtedness**

Issue Description	(Political Subdivision Name)			
	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Retired During Fiscal Year	Outstanding End of Fiscal Year
General Obligation Bonds	(19X)	(29X)	(39X)	(41X)
	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
Revenue Bonds	(19X)	(29X)	(39X)	(41X)
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Other Debt				
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Totals	\$ _____	\$ _____	\$ _____	\$ _____

**Statement of Assessed Valuation and Tax Rates**

Assessed Valuation

Real Estate	\$ _____
Personal Property	_____
State Assessed Railroad and Utility	_____
Total Valuation	\$ _____

Tax Rates

Funds	Tax Rate (per \$100)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

## Instructions for Completing Financial Report for Political Subdivisions

1. **Please complete and sign the certification section** and have the signature notarized before mailing the completed form to the State Auditor's Office, P.O. Box 869, Jefferson City, MO 65102.

2. **Financial Statement Summary (page 1)** – Five columns are provided, one for the total of all funds, one for your General Fund, and three for any other funds which you may have. If you have funds in addition to your General Fund, such as a Debt Service Fund, Street Fund, or Water and Sewer Fund, you need to insert the name of any such fund in the blanks provided. If you have more than three funds in addition to your General Fund, you will need to attach a separate page showing the additional funds. Many smaller governments operate using only a General Fund. If so, you should leave the three columns provided for additional funds blank.

The beginning balance of each fund, plus the total receipts, less total disbursements should equal your ending balance. Total receipts for each fund should equal the total receipts shown on page 2. Total disbursements for each fund should equal the total disbursements shown on page 3.

This financial report should provide data for your most current fiscal year.

### 3. Receipts (page 2)

- a. **Property Tax** – Include real, personal and other property tax, but do not include any tax revenues, which you collect as agent for another governmental entity.
- b. **Sales Tax** – Include any and all sales taxes by fund and type. Municipalities in St. Louis County should report their share of the county sales tax.
- c. **Franchise Tax – (Public Utilities Tax)** Include monies received **from** utility companies.
- d. **Intergovernmental Receipts** – Include monies received from state, federal and local governments (e.g., County Aid Road Trust Money, federal grants).
- e. **Charges for Services** – Include fees and permits received.
- f. **Utility Receipts** – Include monies received from taxpayers **for** utility sales, (e.g., electric, sewer, water).
- g. **Interest earned** – Interest earned from investments.
- h. **Other Receipts and Transfers** – Include fines and any other receipts that your political subdivision receives that would not be included in the above categories. Include any monies transferred from another fund.

**Note – If necessary, add or delete receipt titles to more closely reflect the political subdivisions financial activity**

**4. Disbursements (page 3)** Disbursements should be broken down by function and/or object. Governments having multiple functions (such as police, fire, etc.) or objects (salaries, supplies, etc.) should provide both (if available) and the totals of both should agree.

- a. By Function** – List amounts on the line pertaining to the category or write in a category on one of the blank lines. Include any monies transferred to another fund.
  
- b. By Object** – List amounts on the line pertaining to the category or write in a category on one of the blank lines. Include any monies transferred to another fund.

**5. Statement of Indebtedness (page 4)** – This section requests information on debt issued by your political subdivision. Debt outstanding at the beginning of the fiscal year, plus debt issued less debt retired should equal the debt outstanding at the end of the fiscal year. All types of debt (e.g., general obligation bonds, revenue bonds, leases, notes) should be reported here.

**6. Statement of Assessed Valuation and Tax Rates (page 4)** – The assessed valuation information will be available from your county. The tax rate information will pertain to the tax rate set for the current fiscal year.

If you have any questions regarding the completion of this form, please feel free to call Judy Buerky at the Missouri State Auditor’s Office, telephone 573-751-4213.



# Real Estate and Building Inventory

**Tract #1 - Location:** \_\_\_\_\_

Legal description, Including: \_\_\_\_\_ Section \_\_\_\_\_ Township \_\_\_\_\_ Range

Land value \_\_\_\_\_  
Structure value \_\_\_\_\_  
Total value - Tract #1 \_\_\_\_\_

**Tract #2 - Location:** \_\_\_\_\_

Legal description, Including: \_\_\_\_\_ Section \_\_\_\_\_ Township \_\_\_\_\_ Range

Land value \_\_\_\_\_  
Structure value \_\_\_\_\_  
Total value - Tract #2 \_\_\_\_\_

**Grand total real estate and building value equals** (This page) \$ \_\_\_\_\_

**Grand total equipment value equals** (Page #1) \$ \_\_\_\_\_

**Grand total of real estate and equipment value equals** \$ \_\_\_\_\_

\_\_\_\_\_  
**Signature of City Official**

\_\_\_\_\_  
**Date**

# Telephone Bid Form

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Calling for city \_\_\_\_\_

Speaking for vendor: \_\_\_\_\_

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Vendor firm name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State: \_\_\_\_\_

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Specifications on item sought:

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Price quoted:

Additional information, charges, delivery details, etc.:

*When all information has been entered,  
seal in an envelope as if a written bid had been submitted.*



