

TITLE X. TAXATION AND FINANCE

CHAPTER 1001: GENERAL

ARTICLE I. FISCAL YEAR

SECTION 10.1 FISCAL YEAR ESTABLISHED

The fiscal year for the City of Lone Jack shall begin July first (1st) of each year and all City budgets, audits and other statutory requirements shall be prepared on a July fiscal year and all required matters concerning same be required to use such dates for those statutory and other necessary purposes.

ARTICLE II. BUDGET

SECTION 10.2 BUDGET REQUIRED—CONTENTS—EXPENDITURES NOT TO EXCEED REVENUES

- A. Prior to the commencement of each fiscal year, a budget for the City shall be prepared and the same will be presented to and approved by the Board of Aldermen.
- B. The annual budget shall present a complete financial plan for the ensuing fiscal year and shall include at least the following information:
 - 1. A budget message describing the important features of the budget and major changes from the preceding year;
 - 2. Estimated revenues to be received from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two (2) years next preceding, itemized by year, fund and source;
 - 3. Proposed expenditures for each department, office, commission, and other classification for the budget year, together with a comparative statement of actual or estimated expenditures for the two (2) years next preceding, itemized by year, fund, activity and object;
 - 4. The amount required for the payment of interest, amortization and redemption charges on the debt of the City; and
 - 5. A general budget summary.
- C. In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year; provided, that nothing herein shall be construed as requiring the City to use any cash balance as current revenue or to change from a cash basis of financing its expenditures.

**SECTION 10.3 BOARD OF ALDERMEN MAY REVISE BUDGET, LIMITS–
APPROVAL**

The Board of Aldermen may revise, alter, increase or decrease the items contained in the proposed budget, subject to such limitations as may be provided by law; provided, that in no event shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. Except as otherwise provided by law, the Board of Aldermen shall, before the beginning of the fiscal year, approve the budget and approve or adopt such orders, motions, resolutions or ordinances as may be required to authorize the budgeted expenditures and produce the revenues estimated in the budget.

**SECTION 10.4 INCREASE OF EXPENDITURE OVER BUDGETED AMOUNT TO BE
MADE ONLY ON FORMAL RESOLUTION**

After the City has approved the budget for any year and has approved or adopted the orders, motions, resolutions or ordinances required to authorize the expenditures proposed in the budget, the City shall not increase the total amount authorized for expenditure from any fund, unless the Board of Aldermen adopts a resolution or motion setting forth the facts and reasons making the increase necessary and approves or adopts an order, motion, resolution or ordinance to authorize the expenditures.

ARTICLE III. LEVY OF TAXES

**SECTION 10.5 BOARD TO PROVIDE FOR LEVY AND COLLECTION OF TAXES–
FIX PENALTIES**

The Board of Aldermen shall, from time to time, provide by ordinance for the levy and collection of all taxes, licenses, wharfage and other duties not herein enumerated and, for neglect or refusal to pay the same, shall fix such penalties as are now or may hereafter be authorized by law or ordinance.

SECTION 10.6 BOARD TO FIX RATE OF LEVY

The Board of Aldermen shall, within a reasonable time after the Assessor's books of each year are returned, ascertain the amount of money to be raised thereon for general and other purposes and fix the annual rate of levy therefor by ordinance.

SECTION 10.7 ASSESSMENT–METHOD OF

In the absence of a City Assessor, and until such City Assessor is duly appointed and qualified, it shall be the duty of the Mayor of the City to procure from the County Clerk of Jackson County, Missouri, on or before the first (1st) day of October of each year a certified abstract from his/her assessment books of all property within the corporate limits of the City made taxable by law for State purposes and the assessed valuation thereof as agreed upon by the Board of Equalization, which abstract shall be immediately transmitted to the Board of Aldermen, and it shall be the duty of the Board of Aldermen to establish by ordinance the rate of taxes for the year.

SECTION 10.8 CLERK TO PREPARE TAX BOOKS

When the Board of Aldermen shall have fixed the rate of taxation for any given year, it shall be the duty of the City Clerk to cause to be prepared appropriate and accurate tax books and shall therein set out in suitable columns, opposite the name of each person and the item of taxable property, as returned by the Assessor and Board of Equalization, the amount of taxes, whether general or special, due thereon; and shall charge the City Collector with the full amount of taxes levied and to be collected.

SECTION 10.9 TAXES DELINQUENT—WHEN

On the first (1st) day of January of each year, all unpaid City taxes shall become delinquent and the taxes on real estate are hereby made a lien thereon; and all such delinquent taxes shall bear interest thereon at the rate of two percent (2%) per month from the time they become delinquent, not to exceed eighteen percent (18%) per year, until paid; and shall also be subject to the same fees, penalties, commissions and charges as provided by law of the State of Missouri for delinquent State and County taxes, and shall be collected from the property owners, and the enforcement of all taxes, penalties, fees, commissions and charges authorized by law and provided for herein to be paid by property owners shall be made in the same manner and under the same rules and regulations as are or may be provided by law for the collection and enforcement of the payment of State and County taxes, including fees, penalties, commissions and other charges.

ARTICLE IV. SALES TAXES

SECTION 10.10 GENERAL CITY SALES TAX – 1%

Pursuant to the authority granted by and subject to the provisions of Sections 94.500 to 94.570, RSMo., a tax for general revenue purposes is hereby imposed upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in Sections 144.010 to 144.510, RSMo., and the rules and regulations of the Director of Revenue issued pursuant thereto. The rate of the tax shall be one percent (1%) on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the City of Lone Jack, Missouri, if such property and taxable services are subject to taxation by the State of Missouri under the provisions of Sections 144.010 to 144.510, RSMo. The proceeds from this sales tax shall be expended equally for street maintenance, City Hall construction and improvements, and development of a sewer system. This tax was approved by the voters on April 2, 1991.

SECTION 10.11 CAPITAL IMPROVEMENTS TAX – 0.5%

Pursuant to Section 94.577, RSMo., a sales tax at the rate of one-half of one percent (.5%) is hereby imposed on all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at the retail to the extent and in the manner provided in Sections 144.010 to 144.510, RSMo., and the rules and regulations of the Director of Revenue issued pursuant thereto. The amount reported and returned to the Director of Revenue by the seller shall be computed on the basis of the combined rate of the tax imposed by Sections 144.010 to 144.510, RSMo., and the tax imposed by this Section, plus any amounts imposed

under other provisions by law. The proceeds from this sales tax shall be expended for the purpose of providing funding for capital improvements. This tax was approved by the voters on November 2, 2004.

SECTION 10.12 PARK SALES TAX – 0.5%

Pursuant to Sections 644.032-.033, RSMo, a sales tax at the rate of one-half of one percent (.5%) is hereby imposed on all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at the retail to the extent and in the manner provided in Sections 144.010 to 144.510, RSMo., and the rules and regulations of the Director of Revenue issued pursuant thereto. The amount reported and returned to the Director of Revenue by the seller shall be computed on the basis of the combined rate of the tax imposed by Sections 144.010 to 144.510, RSMo., and the tax imposed by this Section, plus any amounts imposed under other provisions by law. The proceeds from this tax shall be expended for the purpose of providing funding for local parks. This tax was approved by the voters on April 5, 2005.

CHAPTER 1002: PURCHASING POLICY

SECTION 10.13 GENERAL PROVISIONS

- A. *Objective.* It is the objective of the City of Lone Jack to procure the necessary supplies, equipment and services at the lowest possible cost consistent with the quality needed to meet the requirements of the City's Departments so that the taxpayers receive the maximum value for each dollar expended.
- B. *Scope.* The Board of Aldermen has the responsibility of approving and establishing the expenditure levels for the City and its departments, through the adoption of the annual budget. The Board of Aldermen, cognizant that a constant oversight of financial activity is neither practical nor desirable, realizes that substantial authority must be delegated to the Department Directors in order to carry on the daily affairs of the City. This policy applies to all City employees.
- C. *Definitions.*
 - 1. "Department Director" means the Chief of Police, City Clerk, Municipal Court Clerk or Street/Sewer/Public Works Superintendent.
 - 2. "Purchase Order" means a pre-printed form used to document all necessary information to indicate that a financial obligation exists. An example of a Purchase Order is attached hereto.
- D. *Procedure & Guidelines:* The following procedures and guidelines shall be followed prior to making any purchase, unless otherwise waived by the Board of Aldermen:
 - 1. A Purchase Order shall be completed and signed by the Department Director.
 - 2. If the purchase price is:

- (a) less than \$500.00, then the Department Director may approve the purchase and shall promptly forward a copy of the Purchase Order to the City Clerk. The Department Director is responsible to make sure unnumbered funds are available before purchases are made.
 - (b) More than \$500.00 but less than \$1,000.00, then the Department Director must 1) obtain approval from a majority of the Board of Aldermen and 2) the City Clerk must certify that there are unencumbered funds to pay for such purchase.
 - (c) More than \$1,000.01 but less than \$15,000, then the Department Director must 1) obtain at least three written informal competitive bidding quotations, which written quotations the Department Director shall keep and attach to the Purchase Order and 2) the City Clerk must certify that there are unencumbered funds to pay for such purchase.
 - (d) more than \$15,000.01, then the Department Director must obtain the Board of Aldermen's approval to institute formal Invitation for Bids or Request for Proposals, in accordance with policies and procedures set forth by the Board at that time.
- 3. If a Purchase Order is approved pursuant to Section B, then the Department Director shall note on each Purchase Order what budget line item the Purchase Order shall be paid from. One copy of the Purchase Order shall be retained by the City Clerk and the one copy shall be returned to the Department Director.
 - 4. If the City Clerk cannot certify that unencumbered funds exist to pay for a purchase, then such purchase shall not be made unless approved by the Board of Aldermen. The Board of Aldermen shall then state the manner in which the purchase shall be paid.
 - 5. Only after a Purchase Order has been approved may the Department Director or his/her designee give the vendor the Purchase Order number or a copy of the Purchase Order.
 - 6. Department Directors shall not divide the purchase of supplies, equipment and services into multiple, separate purchases in an attempt to circumvent the requirements of this Policy.

E. *Credit Card Procedure and Guidelines.*

- 1. Credit Card Purchases: Credit card purchases are only to be used when a City Account can not be set up for payment. Accounts at participating vendors are to be utilized if available.
- 2. Each Department Director will be responsible for the department credit card.
- 3. Each card issued will have a \$500.00 limit.

4. It will be the Department Directors responsibility to make sure that the amount being spent is available on the credit card to insure that there is not an overage charge.
 5. A Purchase order with the receipt of the purchase will be turned into the City Clerk with in twenty four (24) hours of the purchase. The purchase order will state which budget account line item the purchase is to be taken out of.
 6. It will be the Department Directors responsibility to make sure unencumbered funds are available before card purchases are made.
 7. Tax Exempt Letters need to be provided to each vendor to avoid paying sales tax on purchases.
- F. *Exemptions.* This Policy shall not apply to any of the following expenditures:
1. recurring, routine monthly expenditures (i.e., utility bills, fuel);
 2. Pre-existing contractual obligations;
 3. The purchase is for electric utility service extensions to new development;
 4. Financial, engineering, legal or any other consulting service that the Board of Aldermen may consider complex or technical in nature.