AGENDA
CITY OF HARRISONVILLE
FINANCE/PERSONNEL COMMITTEE
REGULAR MEETING
CITY HALL
JUNE 10, 2013
6:00 PM

I. Call to Order

1. Roll Call

II. Approve Minutes

1. April 15, 203 Minutes

III. Agenda Items

1. Discussion of Weekly Wrap Up Distribution

2. Residential Preferences Questionnaire

3. Discussion on Local Use Tax Ballot Question

4. Discussion of Utility Bill Insert

5. Discussion of Utility Administration Fee

IV. General Discussion

V. Adjournment

This meeting will be open to the public.

Posted on City Hall Bulletin Board this 10th day of June

____
Kim Hubbard, City Clerk

City of Harrisonville est. 1836

STAFF REPORT

TO: **Finance/Personnel Committee**

FROM: **Kim Hubbard, City Clerk**

DATE: **June 5, 2013**

SUBJECT: **April 15, 203 Minutes**

<u>Type of Item:</u> *Approval*

Attached you will find a copy of the draft minutes from the April 15, 2013 meeting.

1. Action Item (ID # 1054)

April 15, 203 Minutes

Attachments:

4-15-13-PersonnelMinutes (PDF)

CITY OF HARRISONVILLE
PERSONNEL/FINANCE COMMITTEE
APRIL 15, 2013
6:00 P.M.

MEMBERS PRESENT: Aldermen Doug Meyer, Stacey Dahlman, Morris Coburn, Mayor Wood, Marcia Milner and Chair Bill Mollenhour were present.

MEMBERS ABSENT: Alternate/Alderman Bret Reece

OTHERS PRESENT: City Administrator Keith Moody, Finance Director Mike Tholen, Public Information Officer Sheryl Stanley, Assistant Public Works Director Eric Patterson, Fire Chief Larry Francis, Police Chief John Hofer, Alderman David Dickerson, and City Clerk Kim Hubbard.

Public Present: None

I. Chair Mollenhour called the meeting to order at 6:00 p.m.

A quorum was present.

II. Approval of Minutes from March 4, 2013 Meeting – A motion was made by Mayor Wood to approve the minutes as written. The motion was seconded by Alderman Milner and approved unanimously by a voice vote of those present.

III. Discussion of utility bill information –Director Tholen reviewed the information in the packet and stated he had not received any comments from Aldermen for this utility bill insert. It was noted that there is a sales tax line item already present on the current utility bill so that information is not reflected in the insert that will go out. Mr. Tholen also reported there would be another insert which would reflect the refuse fund at a later time.

There was discussion regarding the Helping Hand Donations that are collected with the utility bill monthly. Mr. Tholen reported there is a fund set up for those dollars collected, a check is cut every month and there is a few hundred dollars collected monthly. Mr. Tholen said he can give an update in the weekly wrap up of the amounts collected for the Helping Hand Program.

IV. Discussion of public safety employee residency requirement– Chief Hofer reviewed a situation with one of his employees who need to move outside of the residency requirement that is currently in place. Chief Hofer reviewed the current policy for Residence of Employees and Applicants and discussed why he would like to have the policy changed. Chief Hofer noted that in the last eight (8) years he has not had to call everyone in, just an additional shift, and Chief Francis expressed the same. Discussion took place on what would happen if everyone was needed and it was stated that mutual aid would be called in and that they would be on scene before some of the employees could arrive. It was also noted that Police and EMS always have a shift on duty (Police have 12 hour shifts and EMS have 24 hour shifts). Mr. Moody expressed that he was ok with the policy change. It was noted that there would be no residency changes for the Police Lieutenants, Fire Chief, and Police Chief. There was discussion if this affected the Fire Captains and it was noted that it would not as they are non – exempt.

Alderman Coburn asked Mr. Moody to conduct a survey of employees and why they don't want to live in Harrisonville. Mr. Moody reported there was approximately 50% of the employees live inside the city limits and asked Ms. Stanley to conduct a survey of employees.

Mayor Wood made the motion to take the changes to the Board of Aldermen, removing the residency requirements on public safety employees but having the department heads carve out residency requirements for supervisors/foreman in other departments as there should be a stipulation on them. The motion was seconded by Alderman Meyer and approved by those present. The motion carried.

V. General Discussion-Mr. Moody reported he would be reporting on the cost of ownership for the police department fleet at the next Public Safety Meeting.

X. Adjourn –With no further business to discuss, Alderman Milner made a motion to adjourn. The motion was seconded by Mayor Wood and approved unanimously by a voice vote of those present. The meeting adjourned at 6:33 p.m.

Respectfully submitted,

Kim Hubbard, Secretary

City of Harrisonville est. 1836

STAFF REPORT

TO: **Finance/Personnel Committee**

FROM: **Kim Hubbard, City Clerk**

DATE: **June 5, 2013**

SUBJECT: **Discussion of Weekly Wrap Up Distribution**

Type of Item: *Report*

Mr. Moody would like your feedback on receiving the Weekly Wrap Up on the weeks that Board of Aldermen Packets are distributed.

1. Discussion Item (ID # 1055)

Discussion of Weekly Wrap Up Distribution

City of Harrisonville est. 1836

STAFF REPORT

TO: **Finance/Personnel Committee**

FROM: **Kim Hubbard, City Clerk**

DATE: **June 5, 2013**

SUBJECT: **Residential Preferences Questionnaire**

Type of Item: *Report*

Attached you will find the proposed questionnaire to be sent to city employees getting their feedback regarding residing in Harrisonville.

2. Discussion Item (ID # 1056)

Residential Preferences Questionnaire

Attachments:

Residential Preference Questionnaire (PDF)

RESIDENTIAL PREFERENCES QUESTIONNAIRE

The Board of Aldermen and city administration is currently studying how we might best attract new residents to Harrisonville. They have asked us to put the following questions to you, since the employees represent a large and diverse group of current or potential homeowners. Your participation is completely voluntary, but we ask that you please help by answering the three brief questions below. Your input will assist city leaders understand what issues are critical to attracting and retaining residents to our community.

When finished, DO NOT sign your name or indicate your department anywhere on this questionnaire. Instead, place it in the large return envelope before (Date TBD). Thanks!

1. How long have you lived at your current address?
   ____ Less than 5 Years ______ 5-10 Years ______ More than 10 Years

2. Do you live inside the city limits of Harrisonville? ______ Yes ______ No

3. If you answered NO to Question 2, please indicate which of the following factors influenced where you ultimately chose to live?

   ____ My spouse is required to live close to his/her place of employment
   ____ I prefer not to live in the same city where I work
   ____ I prefer to live in the country, rather than in town
   ____ The availability of preferred architectural styles and price of housing elsewhere
   ____ Better access to healthcare and professional services
   ____ Better access to shopping, dining, entertainment venues, etc.
   ____ I have personal reasons for choosing to live where I am presently

Thanks for your help!

City of Harrisonville est. 1836

STAFF REPORT

TO: **Finance/Personnel Committee**

FROM: **Kim Hubbard, City Clerk**

DATE: **June 6, 2013**

SUBJECT: **Discussion on Local Use Tax Ballot Question**

Type of Item: *Report*

Attached you will find information from the Missouri Municipal League on Campaigning for a Local Use Tax. There is more information available on Missouri Municipal League website-this is a small sample.

The next available election date for this year would be November 5, 2013 and the last day for certification is August 27, 2013. I spoke with the voter registration office and Ms. Burlingame was out of the office so at this time I do not know if there are any other ballot questions scheduled for that date. Keep in mind that if there are no other questions the City of Harrisonville would be responsible for all of the cost.

The schedule for general obligation bond election, and sales tax elections is the same, as shown on the attached calendar.

3. Discussion Item (ID # 1057)

Discussion on Local Use Tax Ballot Question

Attachments:

Campaign Tool Kit (PDF)

Local Use Tax Information (PDF)

Local Use Tax Info and bond schedule (PDF)

Local Use Tax

Campaign Tool Kit

Missouri Municipal League

Growing Our Communities Together

January, 2013

Missouri Municipal League
Growing Our Communities Together

MISSOURI MUNICIPAL LEAGUE LOCAL USE TAX CAMPAIGN ROADMAP & TOOL KIT

OBJECTIVE: To provide a plan and the tools to Missouri cities that they can use to help gain passage of the local use tax.

BACKGROUND: A decision by the Missouri Supreme Court in January 2012 eliminated the local sales tax on vehicles purchased out of state or from an individual. Consequently, Missouri cities which do not have a local use tax in place are losing tax revenues that they once had. They have the opportunity to regain those revenues by placing a Local Use Tax issue on the ballot and gaining a majority of voter approval in that election.

HISTORY OF THE LOCAL USE TAX ISSUE:

- The sales tax was implemented in the 1930s as a temporary tax, prior to local sales tax or use tax. The highway use tax was implemented before the statewide use tax as a compliment to the sales tax. In the 1960s the state decided to tax transactions that came in from out of state as a "vendor" use tax. If you were a consumer and bought something out of state you had to self-report and pay the state rate. In the mid 90s a local use tax was implemented. The first local use tax law was a 1 ½ percent flat rate no matter where you were in the state. That was challenged by the Associated Industries, based on the fact that in two areas of the state a purchaser could be required to pay more tax on interstate transactions than on local transactions. The U.S. Supreme Court agreed and ruled the flat-rate local use tax was unconstitutionally discriminatory.

- The current local use tax in section 144.757 allows local governments to impose a local use tax on interstate purchases that are subject to the state use tax. The local use tax requires voter approval and the rate is the same as the local sales tax. This approach makes it simpler for consumers and local governments.

- The third type of use tax is the "highway use tax" on motor vehicles, boats, trailers and outboard motors. This tax was first levied in the late 1930s based on the reasoning that everyone that uses the roads should pay for their upkeep. Those purchasing vehicles that would use the roads would finance improvements to the roads with this tax. The highway use tax applies to purchases from private individuals and purchases from dealers outside Missouri. From the late 1990s through 2012, local sales tax was also applied to the highway use tax transactions. In the "Street" decision, the Missouri Supreme Court ruled that the imposition of the local sales taxes on highway use tax transactions was not authorized by law.

- The Supreme Court ruling said that local use tax should apply to highway use tax transactions; even though statutes say the local use tax does not apply to highway use tax. Legal experts believe the MO Supreme Court decision controls and local use taxes that have been properly adopted by voters do apply to highway use tax transactions. This means the local use tax applies to purchases of vehicles, trailers, boats and outboard motors from anyone except a Missouri auto or boat dealer.

- If a Missouri purchaser buys $2,000 worth of goods upon which no tax has been paid, the purchaser must self-report and pay the tax with their individual income tax return. Because state government does not audit individuals, the vast majority of use taxes are paid by local businesses that purchase goods outside Missouri.

HOW MANY DOLLARS ARE WE TALKING ABOUT? The Missouri Department of Revenue has projected lost revenue for each city in Missouri. If you do not already have this information, you may obtain it from the MML. You will want and need it to educate your council and the voters.

KEY POINTS: These are the key points to make in any communications to help someone understand the issue. They are attached as a separate document and are included here as well.

Background

- <City Name> residents used to pay city sales tax and Missouri highway use tax (equal to state sales tax) on vehicles bought out of state when we licensed them. All tax was paid in Missouri, not in the state where the vehicle was purchased.
- A 2012 change in the interpretation of the law changed everything. Now when a <City Name> resident licenses a car purchased out of state or from an individual, they no longer pay city sales tax. (They don't pay sales tax in the state where they made the purchase, either.)
- But if a <City Name> resident purchases a vehicle from a Missouri car dealer, they must still pay local sales tax. This means that with tax, the same car sold at the same price will cost more if purchased locally than if it is purchased from out-of-state dealers. This puts local dealers at a disadvantage, encouraging <City Name> residents to do business outside of Missouri.
- <City Name> needs these tax dollars for basic services like street and sewer maintenance and police and fire protection.
- The Local Use Tax will replace the local sales tax that used to be charged in these cases. Nearly half of all Missouri cities with populations of 2,000 or more already have a use tax in place. <City Name> does not.
- You won't pay this tax unless you purchase a vehicle or other item over $2000 out of state (and don't pay sales tax on it), or you purchase a vehicle from an individual.
- This is not a "double tax". The Local Use Tax applies only on transactions where no sales tax was already applied. If you paid tax when you made the purchase, you don't pay it a second time.

The Ballot measure:

- <City Name>'s Local Use Tax issue will be on the <Date> ballot.
- The State of Missouri mandates that any local Use Tax be applied at the same rate as the local Sales Tax. In <City Name>, the current local sales tax rate is <x.xxx%>, so the Local Use Tax rate would also be <x.xxx%>.

Why is the Local Use Tax important to <City Name>?

- <City Name> has depended on this important revenue source in the past to fund ongoing city projects. The <$ amount> in projected annual lost revenue could fund (# pothole replacements, # police officers, # firemen, etc).
- Today, <City Name> businesses are at a competitive disadvantage to out-of-state businesses, who don't charge sales tax on our vehicle purchases. These out-of state businesses don't create local jobs or reinvest in our community. It's not fair or wise that tax breaks encourage <City Name> residents to leave Missouri to make large purchases.

Missouri Municipal League
Growing Our Communities Together

- **Other Questions:**

Are goods other than vehicles subject to the local Use Tax?

If a taxpayer purchases $2,000 or more worth of out-of-states goods upon which no tax has been paid, the purchaser must self-report and pay the Use Tax with their individual income tax return.

Does the local Use Tax apply to private vehicle sales?

Yes. State Use Tax is already collected when a privately sold vehicle is licensed. The Local Use Tax would be collected in the same manner.

Does the Use Tax apply to Internet Sales?

The Federal Government has stated that there will be no taxes on out-of-state Internet purchases unless the seller already has a business presence within the state. Until such time as that might change, any discussion about how the Use Tax would apply would be conjecture.

How is the Local Use Tax paid?

The Use Tax on vehicles is paid when you register your vehicle at the license bureau. The State of Missouri relies on self-reporting on individual income tax returns for use tax compliance related to other types of purchases. Businesses generally file Use Tax Returns quarterly.

<u>Benefits from the Local Use Tax</u>

Why is a local Use Tax necessary?

It provides an important source of local funding and levels the playing field for local businesses, which would otherwise be at an unfair competitive disadvantage to out-of-state business when local taxes are avoided.

How much annual revenue does <City Name> expect to generate from the Use Tax?

<Fill in the blank>

What local services will the local Use Tax fund?

The Local Use Tax will go into <City Name>'s general revenue fund, providing funding resources for city services from street repair to police and fire protection. [insert appropriate info. i.e., "The expected revenues would be enough to repair 10,000 pot holes in our streets, fund the salaries of two additional policemen, or purchase a new fire truck."]

Will the local Use Tax have other local benefits?

In addition to providing an important source of revenue for city services, the local Use Tax is an important tool in leveling the playing field for local businesses. With no local use tax in place, local residents have an incentive to cross state lines to buy instead of buying locally. This costs us local jobs and sends [tens of thousands of] dollars out of our local economy.

<u>**Election information**</u>

What is the date of the election when the Local Use Tax will be on the ballot?

The <City Name> Use Tax measure has been placed on the [date] ballot.

Can I vote absentee?

Yes. Absentee votes will be accepted until <_________>. Contact <______ at ______> to obtain an absentee ballot.

CITY GOVERNMENT – GETTING STARTED

There are a variety of fundamental things a city needs to do to put a campaign into motion.

- Get unanimous approval from your City Council to proceed.
- Get the issue on the ballot at a regular or special election.
- Initiate the formation of a citizens committee to run the campaign.
- Give the committee the tools it needs to be successful.
- Support the committee's efforts with a public information campaign.

GET UNANIMOUS APPROVAL FROM YOUR COUNCIL: In many cases, getting a tax issue of any kind passed is tough. If you don't have unanimous support from your Council, you may not generate the level of community support you need to win. Educate your Council. Get your Mayor on board. Let them know what the potential is and what your projected losses are. You'll want and need them behind the issue to get it passed.

GET THE ISSUE ON THE BALLOT: Assuming you have City Council approval to proceed, you must get the issue on the ballot by working with the campaign officials in your city/council. An issue must be certified for an election 10 weeks prior to election day. Keep in mind that you will probably be expected to pay for the election if it is not a regular election, but there may be certain advantages to having a special election that you will want to consider. One critical consideration is the affect that another issue may have on this one. For example, two taxes on one ballot are probably negative for both.

INITIATE THE FORMATION OF A CITIZENS COMMITTEE: A City cannot spend out of its budget to influence voters and most campaigns need some level of persuasion to be successful. Therefore, encourage a small group of community leaders/volunteers to get together and form a Citizens Committee. Encourage them to come up with a positive "catchy" name for their committee that voters will perceive favorably, such as "Yes <Our City> Committee".

Missouri Municipal League

Growing Our Communities Together

GIVE THE COMMITTEE THE TOOLS IT NEEDS: A Citizens Committee will be challenged with many things: fundraising; volunteer leadership and time; learning about the issue; developing campaign materials; planning expertise; the voting public. This Tool Kit has been developed to provide nearly everything that a committee will need to execute a successful campaign.

SUPPORT THE COMMITTEE'S EFFORTS WITH A PUBLIC INFORMATION CAMPAIGN: Although a city cannot spend city funds to influence a vote, it can spend public dollars to inform voters and to encourage them to vote. Here are a couple of suggestions and there are tools in the tool kit to do this.

- Meet with the local media and let them know what you are trying to accomplish.
- Provide them with the key points of the campaign and press releases.
- Put newsletter articles about the issue/election in your city newsletter. Make sure you keep your article neutral.
- Twitter
  - Many cities have a Twitter following and use Twitter to get information out quickly and at no real cost.
  - Tweet frequently throughout the campaign with short messages that keep the issue in front of interested persons.
  - Sample tweets are included in the Tool Kit. Remember to keep them purely informational, not persuasive in nature.

BALLOT LANGUAGE:

MODEL USE TAX ORDINANCE UNDER RSMo 144.757

This sample ordinance is to be considered only as a guide for local adoption.
See Notes on Use at the end of this sample.
Always have ordinances of this type reviewed by legal counsel.

BILL NO. ___________________

ORDINANCE NO. _____________

AN ORDINANCE IMPOSING A USE TAX FOR GENERAL REVENUE PURPOSES AT THE RATE OF _____________ PERCENT (_________%) PURSUANT TO THE AUTHORITY GRANTED BY AND SUBJECT TO THE PROVISIONS OF SECTIONS 144.600 THROUGH 144.761 RSMO; PROVIDING FOR THE USE TAX TO BE REPEALED, REDUCED OR RAISED IN THE SAME AMOUNT AS ANY CITY SALES TAX IS REPEALED, REDUCED OR RAISED; AND PROVIDING FOR SUBMISSION OF THE PROPOSAL TO THE QUALIFIED VOTERS OF THE CITY FOR THEIR APPROVAL AT THE (SPECIAL) (GENERAL) (PRIMARY) ELECTION CALLED AND TO BE HELD IN THE CITY ON (DAY)___,___(DATE)___, 20____.

Missouri Municipal League

Growing Our Communities Together

WHEREAS, the City has imposed total local sales taxes, as defined in Section 32.085 RSMo, at the rate of ________________ percent (___%); and

WHEREAS, the City is authorized, under Section 144.757 RSMo, to impose a local use tax at a rate equal to the rate of the total local sales taxes in effect in the City; and

WHEREAS, the proposed City use tax cannot become effective until approved by the voters at a municipal, county or state general, primary or special election;

NOW, THEREFORE, BE IT ORDAINED BY THE (CITY COUNCIL) (BOARD OF ALDERMEN) (BOARD OF TRUSTEES) OF ___(CITY)___, AS FOLLOWS:

Section 1. Pursuant to the authority granted by, and subject to, the provisions of Sections 144.600 through 144.761 RSMo, a use tax for general revenue purposes is imposed for the privilege of storing, using or consuming within the City any article of tangible personal property. This tax does not apply with respect to the storage, use or consumption of any article of tangible personal property purchased, produced or manufactured outside this state until the transportation of the article has finally come to rest within this City or until the article has become commingled with the general mass of property of this City.

Section 2. The rate of the tax shall be __________ percent (_____%). If any city sales tax is repealed or the rate thereof is reduced or raised by voter approval, the city use tax rate also shall be deemed to be repealed, reduced or raised by the same action repealing, reducing or raising the city sales tax.

Section 3. This tax shall be submitted to the qualified voters of ___(Municipality's Name)___, Missouri, for their approval, as required by the provisions of Section 144.757 RSMo, at the election hereby called and to be held in the City on _____(Day of Week)_____, the ________________ day of ____________________, 20_____. The ballot of submission shall contain substantially the following language:

[For Municipalities not in St. Louis County]

Shall the (Municipality's Name) impose a local use tax at the same rate as the total local sales tax rate, currently .... (insert percent), provided that if the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be reduced or raised by the same action? A use tax return shall not be required to be filed by persons whose purchases from out-of-state vendors do not in total exceed two thousand dollars in any calendar year.

☐ YES ☐ NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".

Missouri Municipal League
Growing Our Communities Together

[For Municipalities within St. Louis County]

Shall the municipality be authorized to impose a local use tax at the same rate as the local sales tax by a vote of the governing body, provided that if any local sales tax is repealed, reduced or raised by voter approval, the respective local use tax shall also be repealed, reduced or raised by the same action? A use tax return shall not be required to be filed by persons whose purchases from out-of-state vendors do not in total exceed two thousand dollars in any calendar year.

☐ YES ☐ NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".

Section 4. Within ten (10) days after the approval of this ordinance by the qualified voters of (Municipality)______, Missouri, the City Clerk shall forward to the Director of Revenue of the State of Missouri by United States registered mail or certified mail, a certified copy of this ordinance together with certifications of the election returns and accompanied by a map of the City clearly showing the boundaries thereof.

Section 5. This Ordinance shall be in full force and effect from and after the date of its passage and approval.

Missouri Municipal League
Growing Our Communities Together

NOTES ON USE

Ordinances of this nature which have significant fiscal impact should be reviewed by an attorney on behalf of the municipality.

RSMo 144.757 provides different language for municipalities not within St. Louis County, municipalities within St. Louis County and the City of St. Louis. The appropriate language should be chosen based on the location of the municipality.

The use tax authorizes description of the use tax as "equivalent of a sales tax" allowing this type of reference to be used within an ordinance adopting the use tax. RSMo 144.757 (4):

> For purposes of sections 144.757 to 144.761, the use tax may be referred to or described as the equivalent of a sales tax on purchases made from out-of-state sellers by in-state buyers and on certain intrabusiness transactions. Such a description shall not change the classification, form or subject of the use tax or the manner in which it is collected.

This may be taken to authorize the use of words such as "equivalent" or "equity" in the ordinance. The ballot language in the statute for the County of St. Louis (RSMo 144.757 (2)(a)) includes the following sentence: "A use tax is the equivalent of a sales tax on purchases from out-of-state sellers by in-state buyers and on certain taxable business transactions."

Additional "Whereas" clauses may be added to give context to the ordinance such as the following:

WHEREAS, a local use tax will require the same tax rate be charged on purchases made from businesses located outside Missouri as are charged by businesses in (Municipality Name) eliminating a competitive advantage of out-of-state businesses.

WHEREAS, a local use tax will eliminate an advantage out-of-state dealerships currently enjoy over local dealerships (as a result of a recent Missouri Supreme Court decision).

Any deviations from the statutory language in the **ballot question** may put the validity of the tax at risk. Reliance on the word "substantially" to alter language should be done only after consulting with an attorney. The Supreme Court has construed The term 'substantially' in the context of use in a taxation statute has been construed as synonymous with the following words: 'practically,' 'nearly,' 'almost,' 'essentially' and 'virtually.' Statements appearing elsewhere in the ordinance carry less risk.

Neutral language in the specific ballot wording is more important than neutral language in other sections of the ordinance.

Missouri Municipal League
Growing Our Communities Together

The classification of a municipality may have an impact on the flexibility it has to alter statutorily designated language.

Issues common to tax issue ballot questions include the following:

Statutory class cities are creatures of the General Assembly, possessing only those powers expressly granted to them by statute, those powers necessarily or fairly implied in or incidental to their express powers, and those powers essential to the declared objects of the municipality. Reasonable doubt as to whether a power has been delegated to a municipality is resolved in favor of non-delegation.

Adding to authorized language by earmarking or designating the use of funds may exceed delegated authority or trigger the issue of "doubleness" (two issues combined into one vote). "The test whether there is presented a single or multiple proposition is whether or not there exists a natural relationship between the objects united in one proposition and whether or not the several projects are so related that united they form in fact one rounded whole." Henkel v. City of Pevely, 504 S.W.2d 141, 146 (Mo. App. 1973).

The Missouri Supreme Court has stated that where statutes provide that ballots be in a certain form without prescribing what results would follow if they were not used as required, the statutes would be considered directory rather than mandatory. The test as set out is "whether or not the voters were afforded an opportunity to express and that they did fairly express their will." State ex rel. City of Memphis v. Hackman, 202 S.W. 7, 14 (Mo Banc 1918); Ginger v. Halferty, 193 S.W.2d 503, 505 (Mo. 1946); City of Raytown v. Kemp, 349 S.W.2d 363, 369 (Mo. banc 1961).

ETHICS FOR CITY EMPLOYEES: Missouri Revised Statutes: Chapter 115. Election Authorities and Conduct of Elections. Section 115.646.

- Public funds expenditure by political subdivision officer or employee, prohibited—personal appearances permitted.
    - 115.646. No contribution of expenditure of public funds shall be made directly by any officer, employee or agent of any political subdivision to advocate, support, or oppose any ballot measure or candidate for public office. This section shall not be construed to prohibit any public official of a political subdivision from making public appearances or from issuing press releases concerning any such ballot measure.

CITIZENS COMMITTEE – GETTING STARTED

OPEN A COMMITTEE BANK ACCOUNT: In order to fund a citizens campaign, the committee must set up a bank account in the committee's name. This will give it a place to deposit contributions and a record of all expenditures made. The committee should require two signatures on each check. Although it will most likely not write many checks, the account can serve as a useful tool to keep track of transactions. Be sure to print/say your committee's name on anything you buy, print or communicate in the media.

Missouri Municipal League

Growing Our Communities Together

RESEARCH: In order to gauge public awareness, understanding and support and to identify key issues to be addressed in a campaign, phone research was conducted in December 2012 with registered voters living in Missouri cities with a population greater than 2,000, excluding Kansas City, St. Louis and any city who already has a Local Use Tax in place. Here is an overview of the research findings. A complete copy is available as part of the Tool Kit.

RESEARCH SUMMARY: There is a high percentage of those surveyed who are already aware of this issue (45%), say they understand it and will likely support it if it is put to a local vote. (Note that many people will tell you that they understand, even when they don't.) The primary reasons why someone would likely support it are fairness to local businesses, interest in supporting local jobs, and the financial impact on a community. There is an obvious need for education so those who are unaware or undecided about the issue can become informed. It is believed that an informed voter is a more supportive voter.

Other than those who do not support taxes or government in general, the key barriers to overcome with your campaign communications are:

- A misunderstanding about double taxation
- A general lack of information and understanding about the issue
- Waste in government spending or lack of knowledge about where dollars go
- A copy of the complete research report is available from the MML.

CITIZENS CAMPAIGN OBJECTIVES:

- Educate voters on the issue through press coverage, advertising, community presentations and small group discussions.
- Develop grassroots support through volunteer recruitment and empowerment.
- Raise enough dollars through fundraising to fund a media campaign.
- Analyze past issue campaigns and estimate how many yes votes will be needed to pass the issue.
- Communicate how many dollars would be raised through this tax and how the dollars could potentially be used.
- Run an active public relations and media program.
- Identify yes voters and capture their contact information (electronic and mail).
- Encourage yes voters to vote absentee if necessary.
- Get yes voters registered and to the polls to vote.

KEYS FOR SUCCESS:

- Ask well-respected community leaders to head up your campaign. Have one co-chair lead the committees and the other co-chair serve as the Treasurer of your committee and be key fundraiser. Their names will be communicated frequently during the campaign and you want people who are well-thought of and liked associated with your issue.
- Find qualified people to head up individual committees and communicate clearly their roles and responsibilities. Make the entire committee aware of everyone's individual roles.

- Get the business community behind you. Go to the Chamber of Commerce and ask for their public support.
- Plan as far ahead as possible. It takes time to do everything necessary to run an effective campaign. Start early and work the plan.
- Have a plan. Use the tools in this tool kit.
- Keep the issue simple. Try to make it as easy as possible to understand and support it. It's actually very straightforward.
- Make sure you have a large enough budget to fund your campaign.
- Focus on identifying and getting YES voters to the polls. There will always be NO voters so you need to run the numbers and know how many YES voters you need to win.
- Keep in mind that you can change an UNDECIDED voter into a YES vote through education. This is a very important audience to concentrate on. You will probably not however change a NO vote into a YES, so recognize they are out there, but use as little of your budget on them as possible.
- Use all the tools available to you. Have your council come out in support and talk it up. Meet with your media and ask for their help in getting the message out.
- Meet with your committee regularly. Set up regular meeting times where you can come together, share ideas, discuss challenges, get status updates and keep everything on track.
- Remember, a city cannot use public funds to persuade voters but they can inform voters. This is an issue that needs education. Use public funds to inform voters and let the citizens committee use its resources to persuade the voter.

SAMPLE ORGANIZATION CHART (ATTACHED) – RESPONSIBILITIES

- Co-Chair/Leadership: Responsible for recruiting and directing volunteer leaders, planning and running meetings, delegating tasks and overall follow-through.
- Co-Chair/Treasurer: Responsible for recruiting fundraisers, fundraising, securing support from the business community, maintaining records and filing necessary paperwork.
- Administrative Support: Responsible for helping co-chairmen with any administrative tasks.
- Website: Responsible for securing ISP to host website, getting the website posted and getting any necessary changes made to the website template provided by MML.
- Events: Responsible for planning and executing any events, like rallies, community-event tie-ins, parades, etc.
- Volunteers: Responsible for recruiting and coordinating any volunteers needed.
- Public Relations: Responsible for planning the details of the promotional campaign/budget, customizing any MML-provided tools (print ads, radio spots, billboards, community presentation), buying media, providing information to the media and distributing email and direct mail to supporters.
- Voter Registration: Responsible for getting voters registered.
- Speaker's Bureau: Responsible for recruiting, training and coordinating community speakers and lining up speaking opportunities.
- Neighborhood Coffees: Responsible for securing coffee hosts, providing them with information and helping them coordinate coffee events.
- Phone Bank: Responsible for recruiting people to make calls to supporters encouraging them to get out and vote.
- Supporters: Responsible for soliciting email and mail addresses and managing mail lists.

VOLUNTEER RECRUITMENT & EMPOWERMENT

- Choose the best people you can find and ask them to help. Busy people get things done. You need workers. Don't be afraid to ask.
- Ask people to refer others.
- Go for a cross-section of the community, so you get broad feedback, input and coverage.
- Recruit church leaders (clergy and lay members) to help. They carry a lot of weight in their congregations.
- Clearly communicate individual responsibilities to both the person and the team.
- Meet regularly and encourage people to attend. This will increase the level of communications and accountability.
- Put a campaign scheduler on your team to help keep things on track.
- Praise in public. Discuss any individual concerns in private.
- Have one person responsible for talking with the media. Make sure they're informed and prepared.
- Keep meetings to no more than one hour.
- Get people their jobs to do and get out of their way. Different people have different ways of getting things done.
- Support each other in any way you can. Be flexible and help out where it's needed.

FUNDRAISING STRATEGIES:

- Find someone to run your fundraising committee who is well-respected and doesn't have any reservations about asking others for funds.
- Encourage your chairman to recruit others like him to help.
- Establish a budget and a goal. Know how much you need to raise.
- Go to the business community. They are the ones (besides the city) who will be most affected by this issue. Car dealers, retailers of large ticket items and realtors will be some of your best prospects.
- Put together a call list of those most likely to contribute. Send them a letter and follow it up with a phone call (preferably from someone they know). If necessary, make a personal visit. It is harder to say no to someone in person and even harder to say no to a friend. Make arrangements to pick up checks, if necessary.
- Go for some large contributions, perhaps from a bank or large business/industry in town.

MEDIA STRATEGIES:

- Public Relations
  - It is in the best interest of your local media to support or stay neutral on this issue.
  - Provide the media in your community with information, such as talking points, a brochure, news releases and anything else you think will be helpful.
  - Distribute news releases regularly throughout the campaign. Templates are included.

- Have your committee leaders and PR representatives meet with the editorial media, discuss the issue and what you're trying to do.
    - Ask for coverage of the issue and the releases you distribute.
    - Give the media a contact person and information for quotes. This should most likely be your co-chair/leader.
    - Ask for an editorial endorsement. If you get it, great. If not, maybe it will cause them to not come out against it.
    - Keep in mind that most media keep advertising and editorial separate, so don't expect to get coverage just because you're buying media.
    - Get people of all walks of life write letters to the editor in support of your issue. Use key messaging.
- Newspaper Ads
    - Meet with your local newspaper and let them help you put your budget together.
    - Try to negotiate the rate. Many times, they offer a civic rate which is lower and will allow you to leverage/expand your buy.
    - (3) print ads are included in the tool kit. Customize these and run the three in rotation.
    - Use frequency as a guide for your communications. It is typically better to run more, smaller ads than fewer big ones.
    - Nearly 50% of the registered voters who were surveyed indicated that they receive local news from their local newspaper. Make newspaper advertising the core of your budget.
- Online Advertising
    - Many times, local newspapers have online editions. More and more people are getting their news over the Internet. Make this a part of your budget. Plan to spend approximately 20% of the amount you spent in print, online.
    - Have a link in your ad to the website where people can go to find more information.
- Radio Advertising
    - (2) 30:second radio spots have been included in the Tool Kit. Customize these with your campaign details.
    - Meet with your local station(s) and let them help you put together your budget. Plan to spend 20% of the amount you spend in the newspaper, on radio spots.
    - Buy every station you can afford to buy. This should help you reach a broad audience and will encourage the station to give you air time for radio shows.
    - Use a well-known, popular person to record your radio spots. This will usually attract more attention to your spots and can sometimes carry some weight with local voters.
    - Your local radio station should be happy to record your announcer. Set up an appointment with the station and plan to spend 15-30 minutes there.
    - Be sure to ask for a copy of your radio spots when you're finished.
    - Ask to be on their talk shows or do interviews for news or community information programming.
- Website

- An HTML website template has been created to serve as an anchor for your campaign. Because so many people turn to the Internet for information, it is important that you find a company to host your site. This should be a very minimal charge.
- Basic programming language has been used to build the site so it works better across many computer platforms.
- Go into each of the HTML files and customize them. Comment tags have been added to assist you in finding the areas to customize.

- Brochure/Direct Mail
  - A brochure is a core piece of any public information campaign. The one included in the Tool Kit has been designed to provide information and encourage yes votes, so it must be paid for by the committee.
  - Artwork for the brochure can be customized with the information specific to your campaign. You can change out copy and photos to meet your need and provide the digital files to your local printer to print. Buy enough to put one in the hands of as many voters as possible.
  - Direct mail is an effective, but expensive tool to put your message in the hands of your voters.
  - Build your direct mail list (database in Excel) throughout your campaign so you can use it when you are ready.
  - The brochure has been designed as a self-mailer so you can seal it, put a stamp on it, address it and drop it in the mail. It can also be used as a handout, leave behind or be enclosed with a letter in an envelope.
  - If you have the budget, mail the brochure to as many identified yes voters as you can. More importantly, send it to those people who you believe are undecided.
  - Using the provided theme artwork, develop, print and mail a postcard to your entire list of yes voters right before the election, reminding them how important it is to vote on this issue. Without their support and vote, it may not pass.
- Email
  - Email is a fast, inexpensive way to put information into the hands of your supporters or others who are interested in receiving more information.
  - Email can be used individually, which can take a lot of time, or similar to direct mail in that you build an email list (database in Excel) and a tool like MailChimp or Constant Contact and send emails to the people on your list.
  - Use emails to send information throughout the campaign and as a reminder to get out and vote.
- Facebook
  - Facebook has become a part of most everyone's lives. Many go to bed and wake up to Facebook. Use that to your advantage.
  - Consider using Facebook as a PRIVATE tool to help build a grassroots organization, generate support, keep fans up to date and communicate with each other. It would be very risky to the campaign to set up a public Facebook presence that gives negative voters a forum to sway others, that otherwise they would not have.

Missouri Municipal League
Growing Our Communities Together

    - Details for how to proceed are included in the tool kit.
- Billboards
    - Billboards can be a very low cost way to reach lots of people in a short amount of time.
    - Work with your local billboard companies to identify the best possible location that delivers the highest traffic count in areas where you think your supporters and undecided persons live, work and play.
    - Artwork is provided. You may customize it and provide it to the billboard company(s) you are working with to produce the billboard art.
    - Plan to post your billboard(s) as soon as you can get them up. In working on a 10-week campaign cycle, it will probably only be up 2 months at the most. However, this will make thousands of impressions with your audience.
- Door Hangers
    - If you plan to canvas neighborhoods and go door to door to get your message out, you can use the Door Hanger artwork provided in the tool kit.
    - Customize the door hanger with the information specific to your campaign and give the digital files to your local printer to produce.
    - Buy enough to put one on every door in the neighborhoods you plan to visit.
    - Door to door canvassing should be scheduled late in the campaign and used as a rallying event. The best time is right before the election.
- General Promotional Recommendations
    - Use frequency as a guide for your communications. Try to tell the same story to the same targeted people as many times as you can afford.
    - Keep all your communications vehicles consistent in look, design and copy. Use the templates provided in the tool kit or customize your own, but make sure everything looks like everything else. This will reinforce the message to your audience any time they see something.

COMMUNITY PRESENTATIONS: Community presentations can be a very effective way to get your message out to groups of all sizes, when a presenter is prepared and engaging. A PowerPoint presentation has been provided as part of the tool kit.

- Set up a speakers bureau consisting of experienced presenters who are available throughout the campaign to deliver the presentation.
- Customize the PowerPoint presentation to your specific campaign.
- Contact civic organizations and request the opportunity to present.
- Make sure you have equipment available (laptop computer and projector with extension cords) that you can provide to the presenters. Make sure they are scheduled to arrive a few minutes early, who their contact person is, and how long they have available to them.
- Provide brochures to the speaker so they can pass them out at the conclusion of the presentation.
- Prepare your presenter with the talking points and answers to questions that may arise.

- Consider hosting a town hall meeting. Although these are not typically well attended, you should get media coverage if you invite them and it will give citizens the opportunity to voice their opinion. Be sure to have refreshments.

SAMPLE TIMELINE -- ATTACHED: A sample campaign of 10 weeks is attached.

CAMPAIGN THEME: It is important to your overall campaign to have a theme that your citizens committee can rally around, that you can communicate frequently to the community and voters can easily remember when they go to the polls. A proposed theme has been developed to aid in your campaign planning, although you can of course develop a theme of your own. The theme, "Vote Yes for <Our City>", is simple, direct, easy to recall and plays to a citizens' civic pride. It also calls them to take positive action by voting yes. This theme has been developed with a graphic, which is included and incorporated into the tool kit materials.

TOOL KIT ITEMS (Each provided separately from this document):

The tool kit has been prepared with files that can be customized with your campaign information, such as election date, campaign contact name and phone number and website. The theme, "YES for Our City," may be customized to your city name if you choose. Supporting fonts and graphics are included for all materials when necessary.

- Research Report of Registered Missouri voters
- Sample Organization Chart for campaign committee
- Sample Campaign Timeline
- Committee Checklist of Action Steps
- Key talking points
- Website Files
- Power Point Community Presentation
- Campaign brochure
- Billboard Artwork
- Radio Scripts
- Newspaper and Online Ads
- Facebook strategy, ads and posts
- Twitter posts
- Door hanger artwork
- News release template and ideas
- Newsletter article and ideas

NEWS RELEASE

FOR IMMEDIATE RELEASE
FOR MORE INFORMATION CONTACT: **Name**
Phone #

Date

<City Name> Makes Push for Local Use Tax

<Person's name making announcement> announced today that a Local Use Tax will be on the ballot for <date>. If approved by local voters, the tax would provide a funding source to the city that was taken away in 2012 by a reinterpretation of a state law.

Prior to 2012, a citizen paid city sales tax on vehicles bought in another state when they licensed the vehicle. Those tax revenues went to the city which used them to help pay for services such as police and fire protection, street repairs, park improvements, water and waste water treatment. Under the new interpretation, a citizen no longer pays city sales tax on vehicles purchased out of state or from an individual. The projected loss of revenues to the city of <city name> is <amount>, according to the Missouri Department of Revenue. To offset the loss of revenues, the city hopes to gain passage of a local use tax which would be the same percentage as the city sales tax and work the same way.

In addition to the lost revenues, local businesses are at a competitive disadvantage to out-of-state businesses under the new interpretation. This is because the out-of-state business does not have to charge a city sales tax on vehicle purchases when a local business does, so the total out of pocket costs for a new vehicle could be less. Keeping those sales local would not only generate tax dollars for the city, it would help local businesses who create local jobs and reinvest in the community.

Nearly half of all Missouri cities with a population over 2,000 already have the Local Use Tax in place. Many passed it several years ago. It is not a double tax as some have thought. The Local Use Tax applies only on transactions where no sales tax was already applied. If you paid a local tax at the time of purchase, you would not pay it again.

A citizens committee has been formed to spearhead the informational campaign. It will be headed by <name(s)>. For more information about the issue, visit www.website name.

Other News Release Topics

- Where do the city tax dollars go?
- Why is a local use tax necessary and beneficial?
- Election information
- Where do you vote?
- What will the ballot look like?

Missouri Municipal League
Growing Our Communities Together

Local Use Tax Ballot Issue - Talking Points

Background

- <City Name> residents used to pay city sales tax and Missouri highway use tax (equal to state sales tax) on vehicles bought out of state when we licensed them. All tax was paid in Missouri, not in the state where the vehicle was purchased.
- A 2012 change in the interpretation of the law changed everything. Now when a <City Name> resident licenses a car purchased out of state or from an individual, they no longer pay city sales tax. (They don't pay sales tax in the state where they made the purchase, either.)
- But if a <City Name> resident purchases a vehicle from a Missouri car dealer, they must still pay local sales tax. This means that with tax, the same car sold at the same price will cost more if purchased locally than if it is purchased from out-of-state dealers. This puts local dealers at a disadvantage, encouraging <City Name> residents to do business outside of Missouri.
- <City Name> needs these tax dollars for basic services like street and sewer maintenance and police and fire protection.
- The Local Use Tax will replace the sales tax that used to be charged in these cases. Nearly half of all Missouri cities with populations of 2,000 or more already have a use tax in place. <City Name> does not.
- You won't pay this tax unless you purchase a vehicle or other item over $2000 out of state (and don't pay sales tax on it), or you purchase a vehicle from an individual.
- This is not a "double tax". The Local Use Tax applies only on transactions where no sales tax was already applied. If you paid tax when you made the purchase, you don't pay it a second time.

The Ballot measure:

- <City Name>'s Local Use Tax issue will be on the (Date) ballot.
- The State of Missouri mandates that any local Use Tax be applied at the same rate as the local Sales Tax. In <City Name>, the current sales tax rate is x.xxx%, so the Local Use Tax rate would also be x.xxx%

Why is the Local Use Tax important to <City Name>?

- <City Name> has depended on this important revenue source in the past to fund ongoing city projects. The ($ amount) in projected annual lost revenue could fund (# pothole replacements, # police officers, # firemen, etc).

- Today, <City Name> businesses are at a competitive disadvantage to out-of-state businesses, who don't charge sales tax on our vehicle purchases. These out-of state businesses don't create local jobs or reinvest in our community. It's not fair or wise that tax breaks encourage <City Name> residents to leave Missouri to make large purchases.

Missouri Municipal League
Growing Our Communities Together

Other Questions:

Are goods other than vehicles subject to the local Use Tax?
If a taxpayer purchases $2,000 or more worth of out-of-states goods upon which no tax has been paid, the purchaser must self-report and pay the Use Tax with their individual income tax return.

Does the local Use Tax apply to private vehicle sales?
Yes. State Use Tax is already collected when a privately sold vehicle is licensed. The City Use Tax would be collected in the same manner.

Does the Use Tax apply to Internet Sales?
The Federal Government has stated that there will be no taxes on out-of-state Internet purchases unless the seller already has a business presence within the state. Until such time as that might change, any discussion about how the Use Tax would apply would be conjecture.

How is Use Tax paid?
The Use Tax on vehicles is paid when you register your vehicle at the license bureau. The State of Missouri relies on self-reporting on individual income tax returns for use tax compliance related to other types of purchases. Businesses generally file Use Tax Returns quarterly.

Benefits from the Local Use Tax

Why is a local Use Tax necessary?
It provides an important source of local funding and levels the playing field for local businesses, which would otherwise be at an unfair competitive disadvantage to out-of-state business when local taxes are avoided.

How much annual revenue does <City Name> expect to generate from the Use Tax?
(Fill in the blank)

What local services will the local Use Tax fund?
The Use Tax will go into <City Name>'s general revenue fund, providing funding resources for city services from street repair to police and fire protection. [insert appropriate info. i.e., "The expected revenues would be enough to repair 10,000 pot holes in our streets, fund the salaries of two additional policemen, or purchase a new fire truck."]

Will the local Use Tax have other local benefits?
In addition to providing an important source of revenue for city services, the local Use Tax is an important tool in leveling the playing field for local businesses. With no local use tax in place, local residents have an incentive to cross state lines to buy instead of buying locally. This costs us local jobs and sends [tens of thousands of] dollars out of our local economy.

Election information

What is the date of the election when the Use Tax will be on the ballot?
The <City Name> Use Tax measure has been placed on the [date] ballot.

Can I vote absentee?
Yes. Absentee votes will be accepted until (__________). Contact (______ at ______) to obtain an absentee ballot.

Other Questions/Speaker Requests

Who can I contact for more information about the local Use Tax?

If you have other questions about the local Use Tax or would like to arrange for a speaker to present information to your group, please contact [contact info].

WM Financial Strategies

Missouri Bond Elections

Missouri currently requires a "supermajority" to approve general obligation bond issues. Either a two-thirds (66.67%) or four-sevenths (57.14%) majority is required, depending on when the election is held. A four-sevenths majority is required for general-obligation bond issues submitted at regular elections in April, in August primaries (in even numbered years) and in November general elections (in even numbered years). At all other elections, a two-thirds majority is required.

The dates and voter requirements for Missouri bond elections in the year 2013 are as follows:

Last Filing Date	Election Date	Voter Requirement for Passage
November 27, 2012	February 5, 2013	Two-thirds
January 22, 2013	April 2, 2013	Four-sevenths
May 28, 2013	August 6, 2013	Two-thirds
August 27, 2013	November 5, 2013	Two-thirds

The dates and voter requirements for Missouri bond elections in the year 2014 are as follows:

Last Filing Date	Election Date	Voter Requirement for Passage
November 27, 2013	February 4, 2014	Two-thirds
January 28, 2014	April 8, 2014	Four-sevenths
May 27, 2014	August 5, 2014	Four-sevenths
August 26, 2014	November 4, 2014	Four-sevenths

WM Financial Strategies
11710 Administration Drive
Suite 7
St. Louis, Missouri 63146
Phone (314) 423-2122
Fax (314) 432-2393
JHoward@munibondadvisor.com

City of Harrisonville est. 1836

STAFF REPORT

TO: **Finance/Personnel Committee**

FROM: **Kim Hubbard, City Clerk**

DATE: **June 6, 2013**

SUBJECT: **Discussion of Utility Summary**

Type of Item: *Report*

At the last Board of Aldermen meeting Alderman Coburn had some questions regarding the utility summary (where the money comes from and where the money goes).

4. Discussion Item (ID # 1058)

Discussion of Utility Bill Insert

City of Harrisonville est. 1836

STAFF REPORT

TO: **Finance/Personnel Committee**

FROM: **Kim Hubbard, City Clerk**

DATE: **June 6, 2013**

SUBJECT: **Discussion of Utility Administration Fee**

Type of Item: *Report*

At the May 6, 2013 Board of Aldermen meeting there was direction given to have discussion at the Finance/Personnel Committee level regarding carrying the utility administration fee over to the next bill, rather than being collected at reconnection time.

5. Discussion Item (ID # 1059)

Discussion of Utility Administration Fee