

Ordinance E — Community Improvement District (CID) Transparency, Accountability, and Enforcement Ordinance

(Statute-Hardened, Fully Populated Version)

Section 1. Purpose and Legislative Findings

This Ordinance establishes mandatory transparency, reporting, accountability, and enforcement standards for all Community Improvement Districts (CIDs) operating within the City. The intent is to ensure residents may clearly understand how CID taxing authority is used, what public benefits are delivered, and who is responsible for decision-making.

Nothing in this Ordinance shall be construed to impair any obligation, covenant, or procedure expressly required by Missouri statute governing Community Improvement Districts. Where statutory procedure governs, this Ordinance operates as a supplemental accountability, transparency, and enforcement framework consistent with the City's home-rule authority.

Section 2. Plain-English Public Transparency Statement (Required)

2.0 Compliance Condition

Timely, complete, and accurate submission of the Public Transparency Statement is a condition precedent to the continuation of CID taxing authority and discretionary expenditures. Failure to comply shall constitute a violation triggering enforcement under Section 9.

Each CID shall prepare and submit a Public Transparency Statement on a quarterly basis.

2.1 Readability Standard

- Written at or below an eighth (8th) grade reading level;
- Acronyms defined on first use;
- Bundled or vague expense categories prohibited.

2.2 Required Contents

A. Money In - Total CID taxes collected during the quarter; - Type of tax (sales, property, special assessment); - Tax rate and expiration date; - Cumulative total collected since CID creation.

B. Money Out (Itemized) Each expenditure shall include: - Date; - Payee; - Dollar amount; - One-sentence purpose; - Related-party transaction disclosure (yes/no).

C. Public Benefit Delivered - Projects completed during the quarter; - Projects in progress; - Projects delayed, modified, or abandoned (mandatory disclosure).

D. Planned Next-Quarter Spending - Anticipated projects; - Estimated dollar amounts; - Expected public benefit.

E. Governance & Oversight - Board member names, roles, and term start dates; - Compensation or stipends (if any); - Other boards or commissions served on; - Vendors with overlapping relationships.

Section 3. City-Hosted Transparency Portal

3.0 Compliance Condition

Failure to post required reports on the City-managed portal shall render the report deemed non-filed for purposes of City compliance and enforcement and shall constitute a violation triggering enforcement under Section 9.

3.1 Centralized Posting Requirement

All CID reports shall be hosted on a City-managed online portal. Posting solely on a CID-controlled website does not satisfy this requirement.

3.2 Portal Features

- Public dashboard for each CID;
 - Downloadable data files (CSV format);
 - Archived reports for all prior quarters;
 - Automatically generated revenue and expenditure charts.
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Section 4. Automatic Audit Triggers

Occurrence of any of the following shall automatically initiate a financial and performance audit and shall constitute grounds for enforcement and escalation under Section 9: - Administrative or consulting expenses exceeding ten percent (10%) of quarterly revenue; - Payments to board members, family members, or related entities; - Transfers of funds between CIDs or into pooled accounts; - Project delays exceeding twelve (12) months beyond original timelines; - Five (5) years of operation without a completed public-facing project.

Audit findings shall be publicly posted on the City transparency portal.

Section 5. Sunset Review & Taxing Authority Suspension

5.1 Five-Year Review

Each CID shall undergo a public performance review every five (5) years.

5.2 Suspension for Non-Compliance

A CID's taxing authority shall be suspended upon: - Two consecutive missed quarterly reports; or - Materially incomplete, misleading, or false disclosures.

Taxing authority shall resume only upon verified compliance.

5.3 Statutory Dissolution Proceedings

If non-compliance persists for three (3) consecutive reporting quarters, the City shall initiate dissolution proceedings pursuant to applicable Missouri law governing Community Improvement Districts. This subsection does not create an independent dissolution mechanism.

5.4 Clawback Provision

Funds determined to be misused, undocumented, or improperly transferred shall be returned to the appropriate taxing jurisdiction and shall not be reclassified for future use.

Section 6. Marketing & Promotion Expenditures

Marketing or promotional expenditures must include: - Purpose; - Vendor; - Cost; - Measurable outcome (attendance, sales impact, occupancy data).

Failure to document outcomes shall prohibit marketing expenditures in the subsequent quarter and constitute a violation under Section 9.

Section 7. Citizen Question & Response Requirement

Any resident within a CID may submit written questions regarding CID finances or activities.

CIDs shall provide a complete written public response within thirty (30) days.

7.1 Enforcement Consequences

Failure to respond within thirty (30) days shall constitute a violation and shall: - Trigger immediate enforcement under Section 9.2; - Prohibit authorization of new discretionary spending, professional service contracts, or project approvals.

7.2 Escalation

- Day 30: Marked publicly as “Unanswered by CID” with board attribution;
 - Day 45: Referred to City oversight;
 - Quarter close: Counted as quarterly non-compliance.
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Section 8. Required Supporting Documents & Structural Safeguards

8.1 Governing Authority Documents

All resolutions, bylaws, minutes, attendance records, and recorded votes.

8.2 Investment & Cash Management Policy

Authorized instruments, risk tolerance, liquidity standards, sweep accounts, approvals, and performance summaries.

8.3 Payroll & Compensation Disclosure

Titles, pay, benefits, reimbursements, providers, and aggregate compensation percentages.

8.4 Related-Party & Vendor Disclosure

Payments to insiders, vendor concentration, overlapping service disclosures.

8.5 Project Authorization & Outcome Reporting

For projects exceeding \$10,000: authorization, budget vs. actual, milestones, outcomes, and status.

8.6 Property Acquisition & Real Estate Reporting

Address, price, funding source, intended use, status, and carrying costs.

8.7 Prohibition on Assumption of Non-CID Obligations

CID funds shall not support TIFs, private development agreements, or external financing mechanisms.

8.8 Developer-Risk Firewall

CID funds shall not mitigate developer nonperformance or financing failures.

8.9 Conflict Disclosure & Mandatory Recusal

Disclosure and mandatory recusal for cross-entity conflicts.

8.10 Development-Linkage Determination

Written findings required for expenditures intersecting development or TIF activity.

8.11 Prohibition on Cross-Mechanism Bailouts

CID funds may not stabilize or support failing TIFs or developments.

8.12 Voting Accountability

Recorded votes constitute certification of disclosure review and understanding.

8.13 Permanent Fiscal Accountability Registry

All CIDs included and cross-indexed with related entities.

Section 9. Automatic Enforcement and Consequences

9.1 Automatic Non-Compliance

Failure to comply with any requirement constitutes non-compliance.

9.2 Immediate Consequences (Trigger: Any Violation)

- Freeze on discretionary spending not required to meet existing bonded or contractual obligations;
- Ban on new contracts or project authorizations;
- Restricted use of investment earnings.

9.3 Escalating Penalties

- One quarter: Public hearing and corrective plan;
- Two quarters: Suspension of taxing authority;
- Three quarters: Initiation of statutory dissolution and asset transfer proceedings pursuant to Missouri law.

9.4 Individual Accountability

Board members authorizing actions during non-compliance shall be publicly named and may be removed pursuant to applicable Missouri law or appointing-authority procedures.

9.5 Audit, Recovery, and Referral

Misused or undocumented funds shall be recovered. Knowing misrepresentation shall be referred for enforcement.

9.6 No Retroactive Cure

Late or backdated actions do not cure non-compliance.

9.7 No Delegation or Proxy Escape

Duties are non-delegable; the board retains full responsibility.

9.8 Anti-Fragmentation & Anti-Evasion

Related actions shall be aggregated; evasion tactics are prohibited.

9.9 Certification Under Penalty of Perjury

Quarterly reports and disclosures shall be certified under penalty of perjury as provided by Missouri law by the CID Board Chair and Treasurer.

Section 10. Severability

If any provision of this Ordinance is held invalid, remaining provisions shall remain in effect.

Section 11. Effective Date

This Ordinance shall take effect upon adoption and shall apply to all existing and future Community Improvement Districts.