

# ARKANSAS MUNICIPAL Bulletin

ISSUE NO. 1 | JANUARY 2025

## Introducing the Arkansas Municipal Bulletin

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PLUS:  
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FORMS & MORE.

The *Arkansas Municipal Bulletin* is intended to be an annual compendium of important dates, municipal deadlines, statutory reminders, best practices and other essential information to help Arkansas city and town officials follow the law and stay in compliance.

The *Calendar of Important Dates* includes entries from January 1, 2025, through the end of the year that cover a variety of categories, including general administrative duties, finance and budgeting, and human resources. This edition also includes an overview of Arkansas' records retention laws, recent changes to U.S. Department of Labor overtime rules, and appendices featuring sample forms and resolutions cities and towns may utilize. Where applicable, entries also feature references to specific statutes, League publications on the subject at hand and other helpful resources.

Please note that this calendar is not all inclusive, and entries are subject to change based on action at the state and federal level. Please notify the League of any errors or omissions in this publication.

### LOOKING AHEAD

It is our goal to grow the *Arkansas Municipal Bulletin* in scope and content in subsequent years and to evolve with both the law and the needs of our member cities and towns. For example, while 2025 is not a municipal election year in Arkansas, the *Bulletin* for 2026 will include information for candidates

for local offices, including election dates and filing deadlines.

The *Arkansas Municipal Bulletin* will be published in the fall of each year with the intention of reaching local leaders as they enter the budgeting process for the coming year. A print copy will be provided to each city and town hall. The *Bulletin* will also be available on the League's website as a downloadable PDF, which will have the added benefit of including clickable hyperlinks to statutes and other online resources, and which may be amended or updated throughout the year as necessary.

This may be the inaugural edition, but the intent of the *Arkansas Municipal Bulletin* recalls the very founding of the Arkansas Municipal League and reflects its core mission: to act as a clearinghouse of vital information for our state's cities and towns. It is our hope that this volume is an invaluable resource in carrying out the business of your municipality.

Thank you to our friends at the League of Minnesota Cities, whose annual *City Calendar of Important Dates* provided a model for this project.

Prepared by the Arkansas Municipal League, the *Arkansas Municipal Bulletin* provides city and town officials with a reference to some of the more significant dates and deadlines during the calendar year. This material is provided as general information and is not a substitute for legal advice. Consult your city attorney or the League for advice concerning specific situations.

## CATEGORIES

Calendar entries are categorized to make it easy to scan the calendar for those items that relate to the user's specific job duties. Categories are:

**ADM**—Administration/general duties

**AML**—League deadlines, events, etc.

**FIN**—Finance

**FIRE**—Fire

**HR**—Human Resources

**TAX**—All things related to local taxes, setting levies, etc.

**UTL**—Utilities, including water, sewer, solid waste, etc.

**WC**—Workers' Compensation



# Calendar of Important Dates

## January 2025-December 2025

### January 2025

DATE	DUTY	CATEGORY
Jan. 1	Newly elected officials take oath of office	ADM

Newly elected municipal officials should take the oath of office on or within 10 days of January 1, after which time the city or town council is, by law, permitted to declare the office vacant. See the referenced statute for a list of officials who may administer the oath. **Note:** Mayors may administer the oath to council members only.

**REFERENCES/RESOURCES:** [A.C.A. § 14-42-106](#)

DATE	DUTY	CATEGORY
Jan. 1	Act 833 application period opens for fire departments	FIRE

The 2025 Act 833 application period for Arkansas fire departments opens January 1 and will close June 30.

**REFERENCES/RESOURCES:** Act 833 application forms are available on the Arkansas Department of Emergency Management website at [dps.arkansas.gov](https://dps.arkansas.gov). For login credentials or assistance, contact State Fire Coordinator Louis Eckelhoff at 501-683-6781 or [louis.eckelhoff@adem.arkansas.gov](mailto:louis.eckelhoff@adem.arkansas.gov).

DATE	DUTY	CATEGORY
Jan. 1	MLWCP reporting portal opens	HR, WC

The Municipal League Workers' Compensation Program online portal opens for reporting final/actual payroll for the previous calendar year.

**REFERENCES/RESOURCES:** [armuni.org/MLWCP](https://armuni.org/MLWCP)

DATE	DUTY	CATEGORY
Jan. 15-17	Called to Serve: '25	AML

The Arkansas Municipal League's 2025 Winter Conference convenes in Little Rock.

**REFERENCES/RESOURCES:** [events.arml.org](https://events.arml.org)

DATE	DUTY	CATEGORY
By Jan. 31	State law governs first council meeting of the year	ADM

Arkansas code requires that members of a governing body elected for each city or town assemble in January and organize the governing body.

**REFERENCES/RESOURCES:** [A.C.A. § 14-43-501](#)

DATE	DUTY	CATEGORY
By Feb. 1	Time to pass your budget	ADM, FIN

Most cities and towns in Arkansas are legally obligated to pass their budget on or before February 1 of each year.

**REFERENCES/RESOURCES:**

**Budgets in Mayor-Council Municipalities**

- Annual submission: [A.C.A. § 14-58-201](#)
- Adoption of budget: [A.C.A. § 14-58-202](#)
- Appropriations and changes: [A.C.A. § 14-58-203](#)

**Budgets in City Administrator-Director Municipalities**

- Powers and duties/annual submission: [A.C.A. § 14-48-117\(6\)](#)
- Budgets and appropriations: [A.C.A. § 14-48-122](#)

**Budgets in City Manager-Director Municipalities**

- Powers and duties/annual submission: [A.C.A. § 14-47-120\(6\)](#)
- Powers and duties of mayor: [A.C.A. § 14-47-140](#)
- Budgets and appropriations: [A.C.A. § 14-47-125](#)

See *Appendix A: Sample Resolution for the Adoption of the Municipal Budget* on page 19. Please contact the League with any questions you may have.

**REMINDER:** For an up-to-date list of all League meetings and events throughout 2025, including advisory council meetings, committee meetings, professional training opportunities and more, please visit the **MEETINGS & EVENTS** page on the League’s website.



Reconcile bank statements monthly. (FIN)

# February 2025

DATE	DUTY	CATEGORY
Feb. 1	Deadline to pass your budget	ADM, FIN

Most cities and towns in Arkansas are legally obligated to pass their budget on or before February 1 of each year. (See also January 2025 calendar entry.)

DATE	DUTY	CATEGORY
Feb. 1	MLWCP premium discount deadline	HR, WC

Municipal League Workers' Compensation Program members must pay premium by February 1 to receive a 2% discount for early payment.

**REFERENCES/RESOURCES:** [armuni.org/MLWCP](http://armuni.org/MLWCP)

DATE	DUTY	CATEGORY
REMINDER	Certain municipal officials may opt out of APERS	FIN, HR

The Arkansas Public Employees Retirement System (APERS) provides cities with the ability to provide coverage for employees and officials ([A.C.A. § 24-4-303](#)). The law states generally that the mayor and clerk “**shall** become participating employees upon taking office.” However, the statute permits mayors and clerks of cities of the first class to opt out of APERS in order to participate in the local retirement plans provided for in [A.C.A. § 24-12-121](#).

To opt out of APERS, the mayor or clerk must provide written notice to APERS within 90 calendar days of the date the official assumed office. Once made, this choice is irrevocable. Any employer contributions previously made on behalf of an official who elects not to participate will be refunded to the city and the official will forfeit service credit in the system. Newly elected city attorneys or city treasurers in cities of the first class who are otherwise covered by a local pension fund may also take advantage of these provisions.

**REFERENCES/RESOURCES:** 501-682-7800 or [www.apers.org](http://www.apers.org). [A.C.A. § 24-4-303](#); [A.C.A. § 24-12-121](#).

# March 2025

DATE	DUTY	CATEGORY
March 1	Annexation reports due	ADM

**A.C.A. § 14-40-2201** provides that on March 1 “the mayor or city manager of a city or incorporated town **shall** file annually with the city clerk or recorder, town recorder, and county clerk a written notice describing any annexation elections that have become final in the previous eight years.”

**REFERENCES/RESOURCES:** See *Appendix B: Notice Describing Annexation Elections and Schedules of Services* on page 20. **A.C.A. § 14-40-2201.**

DATE	DUTY	CATEGORY
March 15	MLWCP reporting portal closes	HR, WC

The Municipal League Workers’ Compensation Program’s online portal closes for reporting final/actual payroll for the previous calendar year. Failing to report results in a premium increase of 20%.

**REFERENCES/RESOURCES:** [armuni.org/MLWCP](http://armuni.org/MLWCP)

DATE	DUTY	CATEGORY
March 31	MLWCP premium billing deadline	HR, WC

**REFERENCES/RESOURCES:** [armuni.org/MLWCP](http://armuni.org/MLWCP)

DATE	DUTY	CATEGORY
March 31	League dues deadline	ADM, AML, FIN

Yearly membership dues allow access to Arkansas Municipal League educational and informational materials, as well as membership in the **National League of Cities**. To participate in League optional programs, membership is required.

Invoices are mailed each October. Didn’t receive your invoice? Contact Chief Programs & Operations Officer Sheila Boyd at 501-374-3484, ext. 218, or [sboyd@arml.org](mailto:sboyd@arml.org).

# April 2025

DATE	DUTY	CATEGORY
April 1	Annual financial statements due	FIN, UTL

In accordance with [A.C.A. §§ 14-59-116](#), the governing body of each municipality **shall** publish annually a financial statement of the municipality by April 1 covering the previous calendar year (January through December). The financial statement **shall** include the receipts and expenditures for the year, along with a “statement of the indebtedness and financial condition of the municipality.” The statement must be published in a newspaper published in the municipality. In municipalities with no local newspaper, the financial statement “**shall** be posted in two (2) of the most public places in the municipality.”

[A.C.A. 14-237-113](#) provides similar publication requirements for the operating authority of water and sewer departments. Water and sewer departments administered by one or two commissions must comply with the law. If the water and sewer departments are administered by the city council, then it is the responsibility of the council to comply with the statute.

**REFERENCES/RESOURCES:** See *Appendix C* on page 21 for suggested Form A for use by cities of the first and second class and by incorporated towns to comply with [A.C.A. §§ 14-59-116](#).

See *Appendix D* on page 22 for suggested Form B for use by water and sewer departments to comply with [A.C.A. 14-237-113](#). To download fillable PDFs of forms A and B, visit the Finance & Budgeting section of the Publications page at [armuni.org/publications](http://armuni.org/publications). For additional information, please call the League at 501-374-3484.

## June 2025

DATE	DUTY	CATEGORY
June 18-20	91st Annual Convention	AML

The 91st Annual Convention of the Arkansas Municipal League convenes in Little Rock.

**REFERENCES/RESOURCES:** [events.arml.org](https://events.arml.org)

DATE	DUTY	CATEGORY
JUNE 30	Act 833 deadline for fire departments	FIRE

The 2025 Act 833 application period for Arkansas fire departments closes June 30.

**REFERENCES/RESOURCES:** Act 833 application forms are available on the Arkansas Department of Emergency Management website at [dps.arkansas.gov](https://dps.arkansas.gov). For login credentials or assistance, contact State Fire Coordinator Louis Eckelhoff at 501-683-6781 or [louis.eckelhoff@adem.arkansas.gov](mailto:louis.eckelhoff@adem.arkansas.gov).



Reconcile bank statements monthly. (FIN)

Review current year budget and make any necessary mid-year adjustments. (See also January 2025 calendar entry.) (ADM, FIN)

Review and update any capital improvement or other long-range plans ahead of the preparation of the 2026 annual budget. (ADM, FIN)

## July 2025

DATE	DUTY	CATEGORY
July 1	MLWCP reporting portal opens for estimated payroll	HR, WC

The Municipal League Workers' Compensation Program online portal opens for reporting estimated payroll for the next calendar year.

**REFERENCES/RESOURCES:** [armuni.org/MLWCP](https://armuni.org/MLWCP)



## August 2025

**DATE**  
Aug. 20-22

**DUTY**  
Annual Planning Meeting

**CATEGORY**  
AML

The executive committee and boards of trustees meet in Greenwood for the League's annual planning meeting.

## September 2025

**DATE**  
By Sept. 30

**DUTY**  
MLWCP estimated payroll  
early reporting deadline

**CATEGORY**  
HR, WC

Municipal League Workers' Compensation Program members that report estimated payroll by September 30 receive a 1.5% early reporting discount.

**REFERENCES/RESOURCES:** [armuni.org/MLWCP](http://armuni.org/MLWCP)

**DATE**  
REMINDER

**DUTY**  
Time to levy property taxes

**CATEGORY**  
FIN, TAX

City and town councils may levy general property taxes of up to five mills on the dollar ([Ark. Const. Art. 12 § 4](#); [A.C.A. §§ 26-25-102 and 103](#)). In order to implement this millage, the governing body of the city or town must certify the rate of taxation levied to the county clerk. ([A.C.A. § 26-73-202](#)). This must be done prior to the time fixed by law for the Quorum Court to levy county taxes. [Id. A.C.A. § 14-14-904\(b\)](#) establishes the November or December meeting of the Quorum Court as the time to levy those taxes. Accordingly, municipal officials should check with the Quorum Court to determine whether its levying meeting will be in November or December. It is important also to bear in mind that the city council must levy and certify its taxes annually, as failure to levy by the required date will result in a millage of zero for the following year (See Ark. Ops. Atty. Gen. No. [91-044](#) and 85-5).

**REFERENCES/RESOURCES:** [Ark. Const. Art. 12 § 4](#); [A.C.A. §§ 26-25-102 and 103](#); [A.C.A. § 26-73-202](#); [A.C.A. § 14-14-904\(b\)](#)

## October 2025

**DATE**

Oct. 1

**DUTY**

League dues invoices mailed

**CATEGORY**

ADM, AML, FIN

Invoices are mailed each October. Didn't receive your invoice? Contact Chief Programs & Operations Officer Sheila Boyd at 501-374-3484, ext. 218, or [sboyd@arml.org](mailto:sboyd@arml.org).

Yearly membership dues allow access to Arkansas Municipal League educational and informational materials, as well as membership in the [National League of Cities](#). To participate in League optional programs, membership is required.

**DATE**

Oct. 10

**DUTY**

MLWCP reporting portal closes  
for estimated payroll

**CATEGORY**

HR, WC

The Municipal League Workers' Compensation Program online portal closes for reporting estimated payroll for the next calendar year.

**REFERENCES/RESOURCES:** [armuni.org/MLWCP](http://armuni.org/MLWCP)

**DATE**

Oct. 31

**DUTY**

MLWCP billing goes out

**CATEGORY**

HR, WC

The Municipal League Workers' Compensation Program premium billing goes out for the next calendar year.

**REFERENCES/RESOURCES:** [armuni.org/MLWCP](http://armuni.org/MLWCP)

## November 2025

**DATE**

By Dec. 1

**DUTY**

Supplemental Firefighter Income  
Protection Program reminders go out

**CATEGORY**

FIRE, WC

The Municipal League Workers' Compensation Program sends out reminders for members to sign up for the Supplemental Firefighter Income Protection Program for the next calendar year.

**REFERENCES/RESOURCES:** [armuni.org/MLWCP](http://armuni.org/MLWCP)

# December 2025

DATE	DUTY	CATEGORY
By Dec. 1	Budget submission	ADM, FIN

On or before December 1 of each year, mayors of all cities and incorporated towns having the mayor-council form of government **shall** submit to the governing body of the city or town, for its approval or disapproval, a proposed budget for operation of the city or town from January 1 to December 31 of the forthcoming year. (See also January 2025 calendar entry.)

**REFERENCES/RESOURCES:** [A.C.A. § 14-58-201](#)

DATE	DUTY	CATEGORY
Dec. 31	Bridge-load posting certification deadline	ADM

Arkansas law [A.C.A. § 27-85-101](#), Conservation of Bridges, requires the “administrators of the various public highway, road and street systems **shall** make every effort to conserve the safe function of the bridges under their jurisdiction pursuant to the findings and recommendations of the bridge safety inspections by the bridge inspection teams of the Arkansas Department of Transportation in accord with the national bridge inspection standards published in the Federal Register.”

**REFERENCES/RESOURCES:** Copies of required documents, as well as the [Local Government Procedures for Compliance with the National Bridge Inspection Standards manual](#), are available for download from ARDOT. For questions or additional assistance, contact Todd Russell, district construction engineer, at [todd.russell@ardot.gov](mailto:todd.russell@ardot.gov) or 870-836-6401. [A.C.A. § 27-85-101](#)

# KEY LEAGUE RESOURCES

## PUBLICATIONS

The Arkansas Municipal League produces a variety of free publications covering all areas of local government concern, and they are available to view or download on the League's website at [armuni.org/publications](https://armuni.org/publications). Helpful publications referenced in this *Bulletin* include:

*A Budget Manual for Small Arkansas Cities and Towns*

*Municipal Annexation, Incorporation and Other Boundary Changes*

*The Civilpedia Handbook: A Guide to Municipal Government in Arkansas*

## OPTIONAL PROGRAMS

Municipal Legal Defense Program: [armuni.org/MLDP](https://armuni.org/MLDP)

Municipal Vehicle and Property Programs: [armuni.org/MVPMPP](https://armuni.org/MVPMPP)

Municipal Health Benefit Program: [armuni.org/MHBP](https://armuni.org/MHBP)

Municipal League Workers' Compensation Program: [armuni.org/MLWCP](https://armuni.org/MLWCP)

## EDUCATION

The **Arkansas Civic Education (ACE) Program** is the League's online and in-person training and certification program, and all municipal officials and personnel are encouraged to participate. The ACE Program offers four levels of certification, starting with Level 1, which follows *The Civilpedia Handbook* to provide the most fundamental information about municipal government in Arkansas. From there participants may take advanced courses that provide more in-depth discussion of all aspects of local governance.

Whether you are a first-time officeholder or a veteran city official, the ACE Program offers training you can use to become a better and more informed municipal leader. To register for the ACE Program, visit [armuni.org/education](https://armuni.org/education). For more information contact Director of Education Kerrie Lauck at [klauck@arml.org](mailto:klauck@arml.org).



# Record retention laws for Arkansas municipalities

## **DESTRUCTION/RETENTION** (A.C.A. §§ 14-2-201; 14-2-203)

These statutes provide for the destruction of paper records and reproduction in another format. Review these procedures carefully before destroying any records.

### **Authority—Requirements.**

(1.) The head of any county or municipal department, commission, bureau, or board may cause any or all records kept by the official, department, commission, or board to be photographed, microfilmed, photostated, or reproduced on or by film, microcard, miniature photographic recording, optical disc, digital compact disc, electronic imaging, or other process that accurately reproduces or forms a durable medium for reproducing the original when provided with equipment necessary for such method of recording.

(2.) At the time of reproduction, the agency head **shall** attach his or her certificate to the record certifying that it is the original record, and the certificate shall be reproduced with the original.

(3.) The device used to reproduce the records **shall** be such as to accurately reproduce and perpetuate the original records in all details.

### **Disposal, etc., of copied records.**

(1.) Whenever reproductions of public records have been made in accordance with § 14-2-201 and have been placed in conveniently accessible

files or other suitable format and provision has been made for preserving, examining, and using them, the head of a county office or department or city office or department may certify those facts to the county court or to the mayor of a municipality, respectively, who **shall** have the power to authorize the disposal, archival storage, or destruction of the records.

(2.) Cities of the first class, cities of the second class, and incorporated towns may by ordinance declare a policy of record retention and disposal, provided that:

- a. The city or town complies with any specific statute regarding municipal records; and
- b. The following records are maintained permanently in either the original or electronic format as required by law:
  - (i) Ordinances;
  - (ii) City council minutes;
  - (iii) Resolutions;
  - (iv) Annual financial audits; and
  - (v) Year-end financial statements.

## **COURT RECORDS**

(A.C.A. §§ 13-4-201, -202, -204; 16-46-101; 16-10-211)

Sections 13-4-201, -202, and -204 permit the destruction of paper records once they have been reproduced in another format unless another statute permits destruction without requiring a copy made. Any handwritten document over 50 years old, and any document of historical value as determined by the



Arkansas State Archives, may not be destroyed as well as if otherwise required to be kept by law.

Section **16-46-101** provides means by which copies of certain records are to be maintained for evidentiary purposes.

### **ACCOUNTING** (A.C.A. § 14-59-114)

Accounting records fall into three groups: support documents, semipermanent records and permanent records.

**Support documents** must be kept for at least four years and may not be destroyed before an audit for the time in question. They consist of cancelled checks, invoices, bank statements, receipts, deposit slips, bank reconciliations, check book registers or listings, receipts listings, monthly financial reports, payroll records, budget documents, and bids, quotes, and related documentation.

**Semipermanent records** must be kept for at least seven years with the same restriction regarding an audit. They consist of fixed assets and equipment detail records, investment and certificate of deposit records, journals, ledgers and subsidiary ledgers, and annual financial reports. For investment and certificate of deposit records, the seven years of required maintenance begins on the date of maturity.

**Permanent records** shall be maintained permanently. They consist of city or town council minutes, ordinances, resolutions, employee retirement documents and annual financial audits.

### **POLICE TICKET BOOKS** (A.C.A. § 16-10-211(A)(3)(K) & (L))

Citation books and logs must be kept for at least three years and may not be destroyed before an audit.

### **POLICE DEPARTMENT RECORDS** (A.C.A. § 14-2-204)

Maintain permanently or for at least seven years, as the municipality may determine: closed municipal police case files for felony and Class A misdemeanor offenses and expungement orders of municipal police cases. However, after 10 years, these may be copied and maintained under **§ 14-2-203**. In addition, records constituting evidence of sexual offenses or violent offenses resulting in convictions must comply with **§§ 12-12-104** and **5-42-203** and must also be maintained permanently. Furthermore, all of the above records must comply with **§ 14-2-203(b)(1)**.

Maintain for three years: accident, incident and offense reports; fine and bond records; parking meter records; radio logs and complaint cards; and employment records, payroll sheets, timecards and leave requests. After three years, they may then be copied electronically or disposed of.

### **WATER and SEWER** (A.C.A. § 14-237-112)

These provisions are substantially the same as for accounting records (see above).



## **HISTORICAL**

### **(A.C.A. § 13-3-107)**

Before any records “other than ephemeral materials” are destroyed, city officials must advise the Arkansas State Archives in writing and give any records deemed to have historical value to the State Archives.

## **COURT RECORDS**

### **A.C.A. § 16-10-211. Record retention schedule.**

(1.) All towns, cities, and counties of the State of Arkansas **shall** maintain records for the district courts and are to:

a. Permanently maintain:

- (i) Case indices for all district courts;
- (ii) Case dockets for all district courts;
- (iii) Active warrants;
- (iv) Waivers;
- (v) Expungement and sealed records;
- (vi) Files concerning convictions under the Omnibus DWI or BWI Act, **A.C.A. § 5-65-101** et seq; and
- (vii) Domestic battering files;

b. Maintain for a period of at least seven (7) years and in no event dispose of before being audited:

- (i) Complete case files and written exhibits for all district courts, not including civil or small claims division cases in which the judgment is not satisfied;
- (ii) Show cause orders;
- (iii) Case information, including arrest

reports and affidavits; and  
(iv) Files concerning cases resulting in a suspended imposition of sentence; and  
c. Maintain for a period of at least three (3) years and in no event dispose of before being audited:

- (i) Bank reconciliations;
- (ii) Check book registers and check listings;
- (iii) Cancelled checks;
- (iv) Bank statements;
- (v) Receipts;
- (vi) Deposit collection records;
- (vii) Receipts listings;
- (viii) Distribution reports;
- (ix) Receipt and disbursement journals;
- (x) Time payment records;
- (xi) Citation book logs;
- (xii) Citation books from each police department and sheriff’s office;
- (xiii) Served, recalled, or quashed arrest warrants;
- (xiv) Copies of citations;
- (xv) Alternative service or community service timesheets;
- (xvi) Uniform filing fees collection remittance forms and fine reports;
- (xvii) Miscellaneous fee and fine collection reports; and
- (xviii) Served or unexecuted search warrants.

(2.) After a town, city, or county has maintained records for the time periods required by

subdivision (a)(2) or subdivision (a)(3) of this section and after the records described in subdivision (a)(2) or subdivision (a)(3) of this section have been audited, the records may be destroyed.

(3.) When records are destroyed under subsection (b) of this section, the town, city, or county **shall** document the destruction by the following procedure:

- a. An affidavit is to be prepared stating:
  - (i) Which records are being destroyed and to which period of time the records apply; and
  - (ii) The method of destruction; and
- b. The affidavit is to be signed by the town, city, or county employee performing the destruction and one (1) employee of the governing body or, if applicable, governing bodies that contribute to the expenses of the court.

(4.) In addition to the procedure described in subsection (c) of this section, the approval of the governing body or, if applicable, governing bodies that contribute to the expenses of the court **shall** be obtained before the destruction of district court records and an appropriate note of the approval indicated in the minutes of the governing body or bodies along with the destruction affidavit.



# FLSA Overtime Rule in Flux: What it Means for You

On November 15, 2024, a federal judge in the U.S. District Court for the Eastern District of Texas struck down and vacated the U.S. Department of Labor's new overtime rule under the Fair Labor Standards Act, which raised the salary threshold for exempt employees in July 2024 and was set to raise the threshold again on January 1, 2025. Barring a successful appeal by the DOL, the threshold will revert to the previous level established in 2019: An employee is exempt from overtime if they are paid at least \$684 per week (\$35,568 annually). As cities and towns utilize this information to prepare their 2025 budgets, let's review the overtime rules as they now stand for municipal employers.

## KEY DISTINCTIONS

**Salary vs. Exempt:** These are not synonymous. Being salaried does not automatically mean exempt from overtime.

**Overtime Pay:** Must be at 1.5 times the non-exempt employee's regular hourly rate for hours worked over 40 per week. Excludes paid time off, vacation, holidays, comp time used and sick time. Public employers can compensate with comp time at the same rate rather than paid overtime.

## LEGAL CONSIDERATIONS

**Compliance:** As stated above, a federal court has vacated the DOL's 2024 overtime rule raising the salary thresholds for exempt employee status. It is unclear whether the DOL will appeal the decision.

The deadline to file an appeal is December 15, 2024. The League's Municipal Law staff is monitoring the issue and will provide updates when available.

## COMMON EXEMPTIONS

An employee must meet ALL components of each exemption to be exempt from overtime compensation. If any one of the following requirements is not met, the employee is non-exempt and eligible for overtime compensation.

### EXECUTIVE

#### SALARY BASIS

At least \$684 per week.

#### PRIMARY DUTY

Managing the enterprise or a recognized department.

#### DIRECT SUPERVISION

Must direct two or more full-time employees.

#### HIRING/FIRING AUTHORITY

Must have significant input.

### ADMINISTRATIVE

#### SALARY BASIS

At least \$684 per week.

#### PRIMARY DUTY

Office or non-manual work related to management or general business operations.

#### DISCRETION & JUDGMENT

Must exercise discretion and independent judgment on significant matters.

### PROFESSIONAL

#### SALARY BASIS

At least \$684 per week.

#### PRIMARY DUTY

Work requiring advanced knowledge or creative talent.

#### EXAMPLES

Attorneys, engineers, doctors, CPAs.

**NOTE:** Elected municipal officials are not covered under FLSA, therefore the salary threshold doesn't apply to them.

For more detailed information, refer to Section E. of *The Civilpedia Handbook: A Guide to Municipal Government in Arkansas*, "The Fair Labor Standards Act (FLSA): 21 Things You Should Know," available online at [armuni.org/publications](http://armuni.org/publications).

Questions or concerns? Contact League Chief Human Resources Officer Tracey L. Cline-Pew at 501-374-3484, ext. 111, or [tpew@arml.org](mailto:tpew@arml.org), or Legal and Inquiry Counsel Caleb Alexander-McKinzie at 501-978-6132 or [calexander@arml.org](mailto:calexander@arml.org).

# APPENDICES

- A. SAMPLE RESOLUTION FOR THE ADOPTION OF THE MUNICIPAL BUDGET
- B. SAMPLE NOTICE DESCRIBING ANNEXATION ELECTIONS AND SCHEDULES OF SERVICES
- C. SAMPLE FINANCIAL STATEMENT FORM A
- D. SAMPLE FINANCIAL STATEMENT FORM B

**RESOLUTION FOR THE ADOPTION OF THE MUNICIPAL BUDGET**

**Resolution No. \_\_\_\_\_**

**A RESOLUTION PROVIDING FOR THE ADOPTION OF A BUDGET FOR THE CITY (OR TOWN) OF \_\_\_\_\_, ARKANSAS, FOR THE TWELVE (12) MONTHS BEGINNING JANUARY 1, 20\_\_\_\_ AND ENDING DECEMBER 31, 20\_\_\_\_, APPROPRIATING MONEY FOR EACH ITEM OF EXPENDITURE THEREIN PROVIDED FOR; AND FOR OTHER PURPOSES.**

**WHEREAS, the City (or Town) Council has made a comprehensive study and review of the proposed budget submitted by the mayor, and;**

**WHEREAS, it is the finding and conclusion of the City (or Town) Council that the schedules and exhibits of anticipated revenues and expenditures for the calendar year appear to be as accurate as possible for budgetary purposes.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY (OR TOWN) COUNCIL OF \_\_\_\_\_, ARKANSAS:**

**Section 1.** This resolution shall be known as the budget resolution for the City (or Town) of \_\_\_\_\_, Arkansas, for the twelve (12) month period beginning January 1, 20\_\_\_\_ and ending December 31, 20\_\_\_\_.

**Section 2.** The budget for the period described in Section 1 of this Resolution shall be:

**[Insert budget figures here]**

**Section 3.** The respective funds for each item of expenditure proposed in the budget for 20\_\_\_\_ are hereby approved and adopted for the operation of the City (or Town) of \_\_\_\_\_, Arkansas, by the City (or Town) Council on this date and constitute an appropriation of funds which are lawfully applicable to the items contained within the budget. This budget may be altered or revised by action of this governing body and unpledged funds may be subsequently appropriated to another purpose except as prohibited by law. A.C.A. § 14-58-203(a).

**Section 4.** The Mayor or his duly-authorized representative may approve for payment, out of funds appropriated by this budget or otherwise approved by the city council for those purposes, or may disapprove any bills, debts, or liabilities asserted as claims against the City (or Town). Provided, however, that the execution of all contracts and conveyances and lease contracts shall be performed by the mayor and city clerk or recorder, when authorized by a resolution in writing and approved by a majority vote of the city council present and participating.

**Section 5.** If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.

**DATED:** \_\_\_\_\_

**APPROVED:** \_\_\_\_\_

Mayor

**ATTEST:** \_\_\_\_\_

Recorder or City Clerk

**NOTICE DESCRIBING ANNEXATION ELECTIONS, PETITIONS AND SCHEDULES  
OF SERVICES FOR THE CITY [TOWN] OF \_\_\_\_\_**

**DATE:** \_\_\_\_\_

This NOTICE DESCRIBING ANNEXATION ELECTIONS, PETITIONS AND SCHEDULE OF SERVICES has been prepared in compliance with Act 1502 of 2013, A.C.A. §14-40-2201 and shall be filed with the city [or town] clerk [or recorder] and the Clerk of the County of \_\_\_\_\_. The following annexation elections containing a schedule of services became final in the previous eight [8] years, resulting in the annexation of territory to the city of \_\_\_\_\_.

A schedule of services, if applicable, and a statement concerning the provision of said services, is provided for each annexation or petition listed.

1. Annexation election held: [date] \_\_\_\_\_

(a) Schedule of Services: [Insert scheduled services]

(b) Statement of Provision of Services:

The services listed above have been provided to the inhabitants of the annexed portion of the city.

OR

The foregoing services have not been provided to the inhabitants of the annexed portion of the city. [If applicable, include the following:] The scheduled services have not been provided to the new inhabitants within three [3] years after the date the annexation became final. The inhabitants of the annexed territory have the right to seek detachment. A written plan for completing the extension of services is filed herewith. It is estimated that the extension of said services will be complete no later than [date] \_\_\_\_\_.

2. [Repeat above information for additional annexation elections, if any]

**SIGNED:** \_\_\_\_\_

Mayor or City Manager

**DATE:** \_\_\_\_\_

City or Town of \_\_\_\_\_  
**Financial Statement January 1, 2024—Dec. 31, 2024**

**GENERAL FUND**

Balance January 1, 2024	\$ _____
Cash Receipts	
State Revenues	\$ _____
Property Taxes	\$ _____
Sales Taxes	\$ _____
Fines, Forfeitures, and Costs	\$ _____
Franchise Fees	\$ _____
Transfers In	\$ _____
Other	\$ _____
Total Receipts	\$ _____
Total General Fund Available	\$ _____

Expenditures	
*Administrative Department:	\$ _____
Personal Services	\$ _____
Supplies	\$ _____
Other services and charges	\$ _____
Capital Outlay	\$ _____
Debt Service	\$ _____
Transfers Out	\$ _____
Total Expenditures	\$ _____
Balance General Fund	\$ _____
December 31, 2024	

**GRANT FUND**

Balance January 1, 2024	\$ _____
Cash Receipts	\$ _____
ARPA Expenses	\$ _____
Total Grant Fund Available:	\$ _____

**STREET FUND**

Balance January 1, 2024	\$ _____
Cash Receipts	
State Revenues	\$ _____
Property Taxes	\$ _____
Sales Taxes	\$ _____
Franchise Fees	\$ _____
Transfers In	\$ _____
Other	\$ _____
Total Street Receipts	\$ _____
Total Street Fund Available	\$ _____

Expenditures	
Personal Services	\$ _____
Supplies	\$ _____
Other services and charges	\$ _____
Capital Outlay	\$ _____
Debt service	\$ _____
Transfers out	\$ _____
Total Expenditures	\$ _____
Balance Street Fund	\$ _____
December 31, 2024	

*\*The classification of expenditures shall be by department, i.e., administrative, police department, fire department, parks department, etc.*

**INDEBTEDNESS**

<b>Type of Debt</b>	<b>Amount</b>	<b>Date Last Payment</b>
Property tax bonds	\$ _____	_____
Short-term financing obligations	\$ _____	_____
Sales & Use Tax Bonds	\$ _____	_____
Revenue Bonds	\$ _____	_____
Lease Purchase Agreement	\$ _____	_____
Total Indebtedness	\$ _____	_____ <i>Date Free of Debt</i>

All financial records for the City of \_\_\_\_\_ are public records and are open for public inspection during regular business hours of A.M. to P.M., Monday through Friday, at City Hall in \_\_\_\_\_, Arkansas. If the record is in active use or in storage and, therefore, not available at the time a citizen asks to examine it, the custodian shall certify this fact in writing to the applicant and set a date and hour within three (3) days at which time the record will be available for inspection and copying.

City or Town of \_\_\_\_\_  
**Financial Statement January 1, 2024—Dec. 31, 2024**

**WATER AND SEWER DEPARTMENTS**

Balance January 1, 2024 \$ \_\_\_\_\_  
 Cash Receipts  
     Water Payments \$ \_\_\_\_\_  
     Sewer Payments \$ \_\_\_\_\_  
     Sanitation Funds \$ \_\_\_\_\_  
     Other \$ \_\_\_\_\_  
 Total Receipts \$ \_\_\_\_\_  
 Total Funds Available \$ \_\_\_\_\_

Expenditures  
     Personal Services \$ \_\_\_\_\_  
     Supplies \$ \_\_\_\_\_  
     Other services and charges \$ \_\_\_\_\_  
     Capital Outlay \$ \_\_\_\_\_  
     Debt Service \$ \_\_\_\_\_  
     Transfers Out \$ \_\_\_\_\_  
 Total Expenditures \$ \_\_\_\_\_  
 Balance Water and Sewer Fund \$ \_\_\_\_\_  
 December 31, 2024

<b>Type of Debt Due</b>	<b>INDEBTEDNESS Amount</b>	<b>Date Last Payment</b>
Short-term financing obligations	\$ _____	_____
Water Revenue Bonds	\$ _____	_____
Sewer Revenue Bonds	\$ _____	_____
Total	\$ _____	_____
		<i>Date Free of Debt</i>

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# ARKANSAS MUNICIPAL LEAGUE

**THE ARKANSAS MUNICIPAL BULLETIN IS A PUBLICATION  
OF THE ARKANSAS MUNICIPAL LEAGUE**

**REVISED FEBRUARY 2025**

**ARML.ORG**

Prepared by the Arkansas Municipal League, *The Arkansas Municipal Bulletin* provides city and town officials with a reference to some of the more significant dates and deadlines during the calendar year. This material is provided as general information and is not a substitute for legal advice. Consult your city attorney or the League for advice concerning specific situations.