

1 **ORDINANCE NO. \_\_\_\_\_**

2

3 **AN ORDINANCE TO PROVIDE FOR AND TO ADOPT THE 2017**  
4 **BUDGET FOR THE CITY OF LITTLE ROCK, ARKANSAS, FOR THE**  
5 **PERIOD BEGINNING JANUARY 1, 2017, AND ENDING DECEMBER 31,**  
6 **2017; TO APPROPRIATE RESOURCES AND USES FOR EVERY**  
7 **EXPENDITURE ITEM AND FUND; TO DECLARE AN EMERGENCY;**  
8 **AND FOR OTHER PURPOSES.**  
9

10 **WHEREAS**, Little Rock, Ark., Rev. Code § 2-214 (1988), as amended by mandates that the Board of  
11 Directors adopts a budget for the ensuing fiscal year by not later than December 30<sup>th</sup>, and

12 **WHEREAS**, the Mayor and the City Manager have fulfilled the requirements of Little Rock, Ark.,  
13 Rev. Code § 2-212 (1988), and Little Rock, Ark., Ordinance No. 19,761 (June 12, 2007), and submitted for  
14 consideration of the Board of Directors a proposed budget and such other explanatory information as  
15 requested by the Board, and

16 **WHEREAS**, the Board of Directors has reviewed the proposed Fiscal Year 2017 Budget as presented  
17 by the Mayor and the City Manager, and is of the opinion that based upon the financial information  
18 presented to the Board, the following constitutes an appropriate determination of anticipated revenues,  
19 expenditures and expenses for Fiscal Year, 2017, and should be adopted as the 2017 Budget for the City of  
20 Little Rock, Arkansas,

21 **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY**  
22 **OF LITTLE ROCK, ARKANSAS:**

23 **Section 1.** This ordinance shall be known as the FY2017 Budget Ordinance of the City of Little Rock,  
24 Arkansas for the twelve (12)-month period beginning January 1, 2017, and ending December 31, 2017,  
25 reflecting estimated resources and uses as set forth below.

26 **Section 2.** All resources identified within this ordinance herein are estimated and subject to change,  
27 and all appropriation uses identified within this ordinance are calculated upon available resources, and are  
28 also subject to change.

29 **Section 3. Definitions.** For purposes of this ordinance, the following terms shall have the following  
30 meanings:

31 A) *Board of Directors* means the Mayor and members of the Board of Directors of the City of  
32 Little Rock, Arkansas.

33 B) *City Clerk* means the City Clerk, or designated representative, of the City, or if no one is

1 officially serving in the position, the Acting City Clerk, or designated representative.

2 C) *City Manager*, means the City Manager, or designated representative, of the City, or if no one  
3 is officially serving in the position, the Acting City Manager, or designated representative,  
4 which may include an Acting Assistant City Manager.

5 D) *Director of Finance* means the Director of Finance and Treasurer, or designated representative,  
6 for the City, or if no one is serving in the position, the Acting Director of Finance and Treasurer.

7 (E) *Expenditures* means decreases in net financial resources under the current financial resources  
8 measurement focus, and pertains to payment of normal operating payments and encumbrances.

9 (F) *Expenses* mean the cost of doing business in a proprietary organization, and can be either  
10 outflows or the using up of assets – cost expiration – such as the depreciation of fixed assets.  
11 Within the context of this budget ordinance, “proprietary organization,” or “proprietary fund”  
12 refers only to a method of accounting and is not used as any reference to whether the enterprise  
13 is conducted in a governmental or proprietary manner, as that term is understood in Arkansas  
14 law. All enterprises referred to in this ordinance shall be operated by the City in its  
15 governmental capacity.

16 (G) *Fund Balance* means the difference between assets and liabilities reported in the governmental  
17 fund and represents the excess of revenues or expenditures that has accumulated since the  
18 inception of the fund.

19 (H) *Revenue(s)* means:

20 (i) Increases in the net current assets of a Governmental Fund Type from other than  
21 expenditure refunds and residual equity transfers, but does not include any general  
22 long-term debt proceeds and operating transfers in – which are classified as “other  
23 financing sources,” unless these constitute a reservation of fund balances for  
24 encumbrances carried forward from a prior year and the expenditure for which the fund  
25 balance was created has also been carried forward; or,

26 (ii) Increases in the net total assets of a Proprietary Fund Type from other than expense  
27 refunds, capital contributions and residual equity transfers, but does not include  
28 operating transfer in which are classified separately from revenues, unless these  
29 constitute a reservation of fund balances for encumbrances carried forward from a prior  
30 year and the expense for which the fund balance was created has also been carried  
31 forward.

32 **Section 4. Compliance with Existing Laws, Statutes and Ordinances.** This ordinance has been  
33 prepared in accordance with various Arkansas Statutes that deal with municipal fiscal reporting  
34 requirements, the *Financial Reporting Standards for the City of Little Rock, Arkansas*, as approved in Little

1 Rock, Ark., Rev. Code §§ 2-245 to 260.8 (1988), and the standards of the Government Finance Officers  
2 Association.

3 **Section 5. Fiscal Year 2017 Budget.** The following respective amount for every resource and  
4 appropriate use is herein set forth as follows:

5 **(A) APPROPRIATE OPERATING RESOURCES:**

6	General Fund (i)	\$204,522,270
7	Street	20,172,832
8	Waste Disposal	18,260,800
9	Parking Garages	2,811,470
10	Fleet Services	12,241,727
11	Vehicle Storage Facility	1,376,010
12	<b><u>TOTAL RESOURCES</u></b>	<b><u>\$259,385,109</u></b>

13 (i) General Fund operating resources include the carry-over of \$2.2 million generated from  
14 2015 net income and other prior year one-time allocations.

15 **(B) APPROPRIATE OPERATING USES:**

16 **General Fund Departments**

17	General Administration	\$32,101,384
18	Board of Directors	343,902
19	Community Programs	610,085
20	City Attorney	1,961,177
21	Municipal Court – Criminal	1,293,690
22	Municipal Court – Traffic	1,226,045
23	Municipal Court – Environmental	576,831
24	Finance	3,503,246
25	Human Resources	1,817,542
26	Office of Information Technology	5,063,637
27	Planning & Development	2,573,533
28	Housing & Neighborhood Programs	5,844,164
29	Public Works	1,108,710
30	Parks and Recreation	10,638,481
31	River Market	1,151,840
32	Golf	2,346,138
33	Fitness and Aquatics	921,660
34	Zoo	6,913,994

1	Fire	48,118,017
2	Police	71,651,214
3	Transfer to Street Fund	894,000
4	Future Little Rock, Special Projects, PIT, Grant Match	9,862,980
5	Contingency	1,000,000
6	<u>Vacancy Allocation (Authorized Unfilled Positions)</u>	<u>(7,000,000)</u>
7	<b>TOTAL GENERAL FUND</b>	<b>\$204,522,270</b>
8	Street Fund	20,172,832
9	Solid Waste	17,833,261
10	Parking Garages	2,341,189
11	Fleet Services	12,232,552
12	<u>Vehicle Storage Facility</u>	<u>1,376,010</u>
13	<b><u>TOTAL USES \$258,478,114</u></b>	

14       **Section 6. *Outside Agency Contributions.*** The appropriation for General Administration operating  
15 uses in Section 4 above includes the following amounts for various entities with which the City contracts  
16 for public services, or in which the City has an ownership interest:

17	Central Arkansas Transit Authority	\$8,862,975
18	Pulaski County Regional Detention Center	1,500,000
19	Arkansas Arts Center	700,000
20	Museum of Discovery	230,000
21	Metroplan	178,042
22	Downtown Partnership	195,000
23	PAGIS	134,850
24	First Tee	246,500
25	Pulaski County Health Unit	56,100
26	Saint Vincent's	25,381
27	<u>City Beautiful</u>	<u>2,500</u>
28	<b><u>TOTAL OUTSIDE AGENCY CONTRIBUTIONS</u></b>	<b><u>\$12,131,348</u></b>

29       **Section 7. *PILOT Payments.*** In accordance with Act 497 of 1981, Act 713 of 1991, and Act 1629  
30 of 2001, of the Arkansas General Assembly, the Director of Finance shall make appropriate payments to  
31 the Little Rock School District, the Pulaski County Special School District and Pulaski County from any  
32 affected payment-in-lieu of taxes (PILOT) made to the City by a company for which an Act 9 Industrial  
33 Development Bonds was issued; it is estimated that the gross amount of these resources for FY2017 is One  
34 Million, Four Hundred Eighty-Six Thousand, Twenty-Three Dollars (\$1,486,023).

1       **Section 8. *Appropriation for the Compensation of Elected Officials.*** This budget contains a personnel  
2 appropriation for the Mayor and the Members of the Board of Directors as follows:

3       (A) Annual compensation of the Mayor is One Hundred Sixty Thousand Dollars (\$160,000), and  
4       such other amounts as may from time to time be approved during the time this ordinance is  
5       effective;

6       (B) Annual compensation for each member of the Board of Directors is Eighteen Thousand Dollars  
7       (\$18,000) plus an annual stipend of Three Thousand Dollars (\$3,000);

8       (C) In addition to these amounts, there are expenditures noted within this ordinance which  
9       document the amounts paid for Mayor and Board member expenses and benefits.

10       **Section 9. *Definition of Significant Variance.***

11       (A) In order to prepare this budget it has been necessary to estimate the amount of revenue or other  
12       resources that the City will have available to it in Fiscal Year 2017, and the cost of the various  
13       expenditures and expenses that the City will incur during this period.

14       (B) To assure the efficient and responsible operation of the City, and the maintenance of its various  
15       programs and facilities, it is important for the Board of Directors to be timely advised of a  
16       significant variance in revenues, or expenditures, during the course of the fiscal year. Further,  
17       it is important for the Board of Directors, the City Manager and the Director of Finance, to  
18       agree as to what constitutes a “significant variance” of these items.

19       (C) It is further necessary to have a definition of “significant variance” that can be reviewed on an  
20       annual basis as a part of the City budget process, and which can best reflect the point at which  
21       the Board of Directors believes it should be notified that such a change of circumstances has  
22       occurred in relation to any expenditure, expense, fund balance, revenue, or resource.

23       (D) For Fiscal Year 2017, a “significant variance” shall be deemed to have occurred if, during any  
24       reporting period, there has been an increase or decrease from the budgeted amount for the  
25       period covered by a Monthly Financial Report, or a Quarterly Fund Balance Report that is:

26       (i) Greater than 5% of the amount anticipated for that item for the period of time covered;

27       and,

28       (ii) More than Fifty Thousand Dollars (\$50,000) from the amount anticipated for that item  
29       for the period of time covered.

30       **Section 10. *Timeline for Department of Finance.*** The timeline for events related to the timely  
31 preparation of reports and statements to the Board of Directors for Fiscal Year 2017 is attached as Exhibit  
32 A to this ordinance.

33       **Section 11. *Severability.*** In the event any title, subtitle, section, subsection, subdivision, paragraph,  
34 subparagraph, item, sentence, clause, phrase, or work of this ordinance is declared or adjudged to be invalid

1 or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the ordinance  
2 which shall remain in full force and effect as if the portion so declared or adjudged invalid or  
3 unconstitutional was not originally a part of this ordinance.

4 **Section 12. Repealer.** All ordinances and resolutions, including but not limited to Little Rock, Ark.,  
5 Ordinance No. 21,156 (December 15, 2015) (“the 2016 Budget Ordinance”), and any other ordinances or  
6 resolutions that relate to financial reporting within the City, are hereby repealed to the extent of such  
7 inconsistency.

8 **Section 13. Emergency Clause.** *It is imperative that a Budget Ordinance for the ensuing fiscal year*  
9 *and calendar year be passed prior to the end of the current calendar year in order to assure the continued*  
10 *provision of City services, operations, and facilities; such continuation is essential to the public health,*  
11 *safety and welfare, an emergency is, therefore, declared to exist and this ordinance, with the exception of*  
12 *Section 8 which deals with the compensation of the Mayor and Members of the Board of Directors, shall*  
13 *be in full force and effect on January 1, 2017, and the various City Departments shall operate immediately*  
14 *upon its passage, and for purposes of record keeping and otherwise, as if it were in full force and effect*  
15 *from and after the date of its passage.*

16 **PASSED: December 13, 2016**

17 **ATTEST:**

**APPROVED:**

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19 \_\_\_\_\_  
20 **Susan Langley, City Clerk**

\_\_\_\_\_ **Mark Stodola, Mayor**

21 **APPROVED AS TO LEGAL FORM:**

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23 \_\_\_\_\_  
24 **Thomas M. Carpenter, City Attorney**  
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1 EXHIBIT A: FY 2017 BUDGET ORDINANCE FOR THE CITY OF LITTLE ROCK, ARKANSAS

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3 [NOTE: The Board of Directors enacted financial reporting standards for the City. Little Rock,  
4 Ark., Rev. Code §§ 2-245 to 260.8 (1988) Section 2-260 this ordinance requires that as a part of the  
5 annual budget process the Board of Directors set a timeline for action by the Department of Finance  
6 to assure the timely preparation of financial reports. This timeline is to be adopted upon  
7 recommendation of the City Manager after consultation with the Director of Finance and the various  
8 financial institutions the City uses. This timeline is to be reviewed each year to assure that it sets  
9 reasonable expectations for City staff, but at the same time, assures the preparation and publication  
10 of reports to the Board of Directors as quickly as possible. Reports to the Board of Directors are  
11 based upon certain events after the month-end close. The month-end close is defined as the fifteenth  
12 (15<sup>th</sup>) business day after the end of the previous calendar month. For FY 2017 the calendar of events  
13 is as follows:  
14

15 **CALENDAR OF EVENTS RELATED TO TIMELY PREPARATION OF CITY FINANCIAL**  
16 **REPORTS**

17	18	19
EVENT	WORKING DAY	(after the end of the calendar month)
20	Department notification of deposits submitted to accounting	3
21	City obtains monthly bank statement	1
22	Department processes bank files to produce combined and payroll outstanding check lists	5
23	City obtains monthly investment statement	7
24	Department reconciles book balance and bank statements for all bank accounts	9
25	Department reconciles book balance and investment balances	11
26	Department finalizes and enters all remaining journal entries	14
27	Department reviews and corrects work to date	15
28	Department conducts final review of information for reports	16
29	Department processes computer system reports (month-end close)	17
30	Department completes preparation of monthly reports	22
31	City Manager and Finance Director distribute monthly report to Board of Directors	
32	City Manager has monthly report posted in City website following Board presentation	
33	City Manager and Finance Director present financial reports quarterly to Board of Directors	