1	ORDINANCE NO
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3	AN ORDINANCE TO PROVIDE FOR AND TO ADOPT THE 2016
4	BUDGET FOR THE CITY OF LITTLE ROCK, ARKANSAS, FOR THE
5	PERIOD BEGINNING JANUARY 1, 2016, AND ENDING DECEMBER
6	31, 2016; TO APPROPRIATE RESOURCES AND USES FOR EVERY
7	EXPENDITURE ITEM AND FUND; TO DECLARE AN EMERGENCY;
8	AND FOR OTHER PURPOSES.
9	MID TOR OTHER TORE OBED.
10	WHEREAS, Little Rock, Ark., Rev. Code § 2-214 (1988), as amended mandates that the Board o
11	Directors adopts a budget for the ensuing fiscal year by not later than December 30 th , 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 fo
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 2016 Budget as presented
17	by the Mayor and the City Manager, made certain modifications, and is now of the opinion that based upon
18	the financial information presented to the Board, the following constitutes an appropriate determination o
19	anticipated revenues, expenditures and expenses for Fiscal Year, 2016, and should be adopted as the 2016
20	Budget for the City of 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 FY2016 Budget Ordinance of the City of Little Rock
24	Arkansas for the twelve (12)-month period beginning January 1, 2016, and ending December 31, 2016
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
32	of Little Rock, Arkansas.
33	(B) City Clerk means the City Clerk, or designated representative, of the City, or if no one is

- (C) *City Manager*, means the City Manager, or designated representative, of the City, or if no one is officially serving in the position, the Acting City Manager, or designated representative, which may include an Acting Assistant City Manager.
- (D) *Director of Finance* means the Director of Finance and Treasurer, or designated representative, for the City, or if no one is serving in the position, the Acting Director of Finance and Treasurer.
- (E) *Expenditures* means decreases in net financial resources under the current financial resources measurement focus, and pertains to payment of normal operating payments and encumbrances.
- (F) *Expenses* mean the cost of doing business in a proprietary organization, and can be either outflows or the using up of assets cost expiration such as the depreciation of fixed assets. Within the context of this budget ordinance, "proprietary organization," or "proprietary fund" refers only to a method of accounting and is not used as any reference to whether the enterprise is conducted in a governmental or proprietary manner, as that term is understood in Arkansas law. All enterprises referred to in this ordinance shall be operated by the City in its governmental capacity.
- (G) *Fund Balance* means the difference between assets and liabilities reported in the governmental fund and represents the excess of revenues or expenditures that has accumulated since the inception of the fund.

(H) *Revenue(s)* means:

- (i) Increases in the net current assets of a Governmental Fund Type from other than expenditure refunds and residual equity transfers, but does not include any general long-term debt proceeds and operating transfers in which are classified as "other financing sources," unless these constitute a reservation of fund balances for encumbrances carried forward from a prior year and the expenditure for which the fund balance was created has also been carried forward; or,
- (ii) Increases in the net total assets of a Proprietary Fund Type from other than expense refunds, capital contributions and residual equity transfers, but does not include operating transfer in which are classified separately from revenues, unless these constitute a reservation of fund balances for encumbrances carried forward from a prior year and the expense for which the fund balance was created has also been carried forward.
- **Section 4.** Compliance with Existing Laws, Statutes and Ordinances. This ordinance has been prepared in accordance with various Arkansas statutes that deal with municipal fiscal reporting requirements, the *Financial Reporting Standards for the City of Little Rock, Arkansas*, as approved in Little

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

2 Association.

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Section 5. Fiscal Year 2016 Budget. The following respective amount for every resource and appropriate use is herein set forth as follows:

4	appropriate use is herein set forth as follows:	
5	(A) APPROPRIATE OPERATING RESOURCES:	
6	General Fund	\$201,644,229
7	Street	20,557,426
8	Waste Disposal	17,941,300
9	Parking Garages	2,570,250
10	Fleet Services	12,714,282
11	Vehicle Storage Facility	1,370,305
12	TOTAL RESOURCES	\$256,797,792
13	(B) APPROPRIATE OPERATING USES:	
14	General Fund Departments	
15	General Administration	\$29,977,808
16	Board of Directors	342,818
17	Community Programs	427,559
18	City Attorney	1,939,007
19	Municipal Court – Criminal	1,410,338
20	Municipal Court – Environmental	627,195
21	Municipal Court – Traffic	1,365,334
22	Finance	3,407,407
23	Human Resources	1,810,554
24	Office of Information Technology	4,843,151
25	Planning & Development	2,566,299
26	Housing & Neighborhood Programs	5,866,198
27	Public Works	1,191,100
28	Parks and Recreation	10,207,910
29	RiverMarket	1,174,745
30	Golf	2,288,313
31	Fitness and Aquatics	909,546
32	Zoo	6,810,041
33	Fire	47,365,844
34	Police	70,548,138

1	Transfer to Street Fund	1,082,000
2	Future Little Rock, Special Projects, PIT, Grant Match	10,482,924
3	Contingency	1,000,000
4	Vacancy Allocation (Authorized Unfilled Positions)	(6,000,000)
5	TOTAL GENERAL FUND	\$201,644,229
6	Street Fund	20,557,426
7	Solid Waste	16,928,866
8	Parking Garages	2,251,986
9	Fleet Services	12,714,282
10	Vehicle Storage Facility	1,359,792
11	TOTAL USES	<u>\$255,456,581</u>

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

15	Central Arkansas Transit Authority	\$8,576,529
16	Pulaski County Regional Detention Center	1,450,000
17	Arkansas Arts Center	700,000
18	Museum of Discovery	230,000
19	Metroplan	178,042
20	Downtown Partnership	195,000
21	PAGIS	135,800
22	First Tee	191,500
23	Pulaski County Health Unit	56,100
24	Saint Vincent's	25,381
25	City Beautiful	2,500
26	TOTAL OUTSIDE AGENCY CONTRIBUTIONS	\$11,740,852

Section 7. *PILOT Payments*. In accordance with Act 497 of 1981, Act 713 of 1991, and Act 1629 of 2001, of the Arkansas General Assembly, the Director of Finance shall make appropriate payments to the Little Rock School District, the Pulaski County Special School District, and Pulaski County from any affected payment-in-lieu of taxes (PILOT) made to the City by a company for which an Act 9 Industrial Development Bonds was issued; it is estimated that the gross amount of these resources for FY2016 is One

32 Million, Seven Hundred Seventy Thousand, Three Hundred Twenty-Five Dollars (\$1,770,325).

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

- (A) Annual compensation of the Mayor is One Hundred Sixty Thousand Dollars (160,000.00), and such other amounts as may from time to time be approved during the time this ordinance is effective;
- (B) Annual compensation for each member of the Board of Directors is Eighteen Thousand Dollars (\$18,000.00), plus an annual stipend of Three Thousand Dollars (\$3,000.00);
- (C) In addition to these amounts, there are expenditures noted within this ordinance which document the amounts paid for Mayor and Board member expenses and benefits.

Section 9. Definition of Significant Variance.

- (A) In order to prepare this budget it has been necessary to estimate the amount of revenue or other resources that the City will have available to it in Fiscal Year 2016, and the cost of the various expenditures and expenses that the City will incur during this period.
- (B) To assure the efficient and responsible operation of the City, and the maintenance of its various programs and facilities, it is important for the Board of Directors to be timely advised of a significant variance in revenues, or expenditures, during the course of the fiscal year. Further, it is important for the Board of Directors, the City Manager and the Director of Finance, to agree as to what constitutes a "significant variance" of these items.
- (C) It is further necessary to have a definition of "significant variance" that can be reviewed on an annual basis as a part of the City budget process, and which can best reflect the point at which the Board of Directors believes it should be notified that such a change of circumstances has occurred in relation to any expenditure, expense, fund balance, revenue, or resource.
- (D) For Fiscal Year 2016, a "significant variance" shall be deemed to have occurred if, during any reporting period, there has been an increase or decrease from the budgeted amount for the period covered by a Monthly Financial Report, or a Quarterly Fund Balance Report that is:
 - (i) Greater than 5% of the amount anticipated for that item for the period of time covered; and,
 - (ii) More than Fifty Thousand D(\$50,000) from the amount anticipated for that item for the period of time covered.
- **Section 10**. *Timeline for Department of Finance*. The timeline for events related to the timely preparation of reports and statements to the Board of Directors for Fiscal Year 2016 is attached as Exhibit A to this ordinance.
- **Section 11.** Severability. In the event any title, subtitle, section, subsection, subdivision, paragraph, subparagraph, item, sentence, clause, phrase, or work of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the ordinance which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of this ordinance.

1	Section 12. <i>Repealer</i> . All ordinances and	d resolutions, including but not limited to Little Rock, Ark.,		
2	Ordinance No. 20,977 (December 16, 2014)("The 2015 Budget Ordinance), and any other ordinances or			
3	resolutions that relate to financial reporting within the City, are hereby repealed to the extent of such			
4	inconsistency.			
5	Section 13. Emergency Clause. It is imperative that a budget ordinance for the ensuing fiscal year			
6	and calendar year be passed prior to the end of the current calendar year in order to assure the continued			
7	provision of City services, operations, and facilities; such continuation is essential to the public health,			
8	safety and welfare, an emergency is, therefore, declared to exist and this ordinance, with the exception of			
9	Section 8 which deals with the compensation of	of the Mayor and Members of the Board of Directors, shall		
10	be in full force and effect on January 1, 2016, a	and the various City departments shall operate immediately		
11	upon its passage, and for purposes of record	keeping and otherwise, as if it were in full force and effect		
12	from and after the date of its passage.			
13	PASSED: December 15, 2015			
14	ATTEST:	APPROVED:		
15				
16				
17	Susan Langley, City Clerk	Mark Stodola, Mayor		
18	APPROVED AS TO LEGAL FORM:			
19				
20 21	Thomas M. Carpenter, City Attorney			
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EXHIBIT A: FY 2016 BUDGET ORDINANCE FOR THE CITY OF LITTLE ROCK, ARKANSA	EXHIBIT A:	FY 2016 BUDGET	ORDINANCE FOR THE	ECITY OF LITTLE R	OCK, ARKANSAS
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[NOTE: The Board of Directors enacted financial reporting standards for the City. Little Rock, Ark., Rev. Code §§ 2-245 to 260.8 (1988) Section 2-260 this ordinance requires that as a part of the annual budget process the Board of Directors set a timeline for action by the Department of Finance to assure the timely preparation of financial reports. This timeline is to be adopted upon recommendation of the City Manager after consultation with the Director of Finance and the various financial institutions the City uses. This timeline is to be reviewed each year to assure that it sets reasonable expectations for City Staff, but at the same time, assures the preparation and publication of reports to the Board of Directors as quickly as possible. Reports to the Board of Directors are based upon certain events after the month-end close. The month-end close is defined as the fifteenth (15th) business day after the end of the previous calendar month. For FY 2016 the calendar of events is as follows:

CALENDAR OF EVENTS RELATED TO TIMELY PREPARATION OF CITY FINANCIAL REPORTS

EVENT WORKING DAY (after the end of the calendar month) Department notification of deposits submitted to accounting City obtains monthly bank statement Department processes bank files to produce combined and payroll outstanding check lists City obtains monthly investment statement Department reconciles book balance and bank statements for all bank accounts Department reconciles book balance and investment balances Department finalizes and enters all remaining journal entries Department reviews and corrects work to date Department conducts final review of information for reports Department processes computer system reports (month-end close) Department completes preparation of monthly reports City Manager and Finance Director present monthly report to Board of Directors City Manager has monthly report posted in City website following Board presentation //