

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

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

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

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

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

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

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

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

33 **Section 4. Compliance with Existing Laws, Statutes and Ordinances.** This ordinance has been
34 prepared in accordance with various Arkansas Statutes that deal with municipal fiscal reporting
35 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 2018 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)	\$208,963,275
7	Street	20,099,356
8	Waste Disposal	19,326,800
9	Parking Garages	2,747,950
10	Fleet Services	13,061,091
11	Vehicle Storage Facility	1,335,365
12	<u>TOTAL RESOURCES</u>	<u>\$265,533,837</u>

13 (i) General Fund operating resources include the carry-over of Seven Hundred Eighty
14 Thousand Dollars (\$780,000.00) generated from 2017 one-time allocations.

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

16 **General Fund Departments**

17	General Administration	\$30,601,351
18	Board of Directors	337,241
19	Community Programs	599,306
20	City Attorney	1,838,375
21	Municipal Court – Criminal	1,312,284
22	Municipal Court – Traffic	1,235,948
23	Municipal Court – Environmental	558,459
24	Finance	3,611,965
25	Human Resources	1,900,756
26	Information Technology	5,155,305
27	Planning & Development	2,659,265
28	Housing & Neighborhood Programs	5,780,017
29	Public Works	1,100,254
30	Parks and Recreation	10,637,313
31	River Market	1,276,715
32	Golf	2,321,299
33	Fitness and Aquatics	908,180
34	Zoo	6,938,356
35	Fire	49,939,645

1	Police	75,742,987
2	Transfer to Street Fund	194,000
3	Future Little Rock, Special Projects, PIT, Grant Match	9,814,254
4	Contingency	1,000,000
5	<u>Vacancy Allocation (Authorized Unfilled Positions)</u>	<u>(6,500,000)</u>
6	TOTAL GENERAL FUND	\$208,963,275
7	Street Fund	20,969,356
8	Solid Waste	18,900,401
9	Parking Garages	2,512,248
10	Fleet Services	13,061,091
11	<u>Vehicle Storage Facility</u>	<u>1,335,365</u>
12	<u>TOTAL USES</u>	<u>\$265,741,736</u>

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

16	Central Arkansas Transit Authority	\$9,190,757
17	Pulaski County Regional Detention Center (i)	1,550,000
18	Arkansas Arts Center (ii)	700,000
19	Museum of Discovery	230,000
20	Metroplan	178,042
21	Downtown Partnership	195,000
22	PAGIS	134,850
23	First Tee	246,500
24	Pulaski County Health Unit	56,100
25	Saint Vincent's	25,381
26	<u>City Beautiful</u>	<u>2,500</u>
27	<u>TOTAL OUTSIDE AGENCY CONTRIBUTIONS</u>	<u>\$12,509,130</u>

28 (i) Additional funding is provided in the local jail fine special project in the amount of
29 Four Hundred Thousand, Six Hundred Thirty-Two Dollars (\$400,632.00) to bring
30 support for the Pulaski County Regional Detention Center to One Million, Nine
31 Hundred Fifty Thousand, Six Hundred Thirty-Two Dollars (\$1,950,632.00).

32 (ii) Funding from the One (1)-Cent Lodging Tax for parks will supplement the general
33 fund contribution to provide an additional Two Hundred Twenty-Eight Thousand,
34 Four Hundred Fifty Dollars (\$228,450.00) for the Arts Center to bring total support
35 to Nine Hundred Twenty-Eight Thousand, Four Hundred Fifty Dollars (\$928,450.00).

1 **Section 7. PILOT Payments.** In accordance with Act 497 of 1981, Act 713 of 1991, and Act 1629
2 of 2001, of the Arkansas General Assembly, the Director of Finance shall make appropriate payments to
3 the Little Rock School District, the Pulaski County Special School District, and Pulaski County from any
4 affected payment-in-lieu of taxes (PILOT) made to the City by a company for which an Act 9 Industrial
5 Development Bonds was issued; it is estimated that the gross amount of these resources for FY2018 is One
6 Million, Seven Hundred Seventy-Two Thousand, Seven Hundred Thirty-Eight Dollars (\$1,772,738.00).

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

9 (A) Annual compensation of the Mayor is One Hundred Sixty Thousand Dollars (\$160,000.00),
10 and such other amounts as may from time-to-time be approved during the time this ordinance
11 is effective;

12 (B) Annual compensation for each member of the Board of Directors is Eighteen Thousand Dollars
13 (\$18,000.00), plus an annual stipend of Three Thousand Dollars (\$3,000.00);

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

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

17 (A) In order to prepare this Budget it has been necessary to estimate the amount of revenue or other
18 resources that the City will have available to it in Fiscal Year 2018, and the cost of the various
19 expenditures and expenses that the City will incur during this period.

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

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

29 (D) For Fiscal Year 2018, a “significant variance” shall be deemed to have occurred if, during any
30 reporting period, there has been an increase or decrease from the budgeted amount for the
31 period covered by a Monthly Financial Report, or a Quarterly Fund Balance Report that is:

32 (i) Greater than 5% of the amount anticipated for that item for the period of time covered;
33 and,

34 (ii) More than Fifty Thousand Dollars (\$50,000.00) from the amount anticipated for that
35 item for the period of time covered.

1 **Section 10. *Timeline for Department of Finance.*** The timeline for events related to the timely
2 preparation of reports and statements to the Board of Directors for Fiscal Year 2018 is attached as Exhibit
3 A to this ordinance.

4 **Section 11. *Severability.*** In the event any title, subtitle, section, subsection, subdivision, paragraph,
5 subparagraph, item, sentence, clause, phrase, or work of this ordinance is declared or adjudged to be invalid
6 or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the ordinance
7 which shall remain in full force and effect as if the portion so declared or adjudged invalid or
8 unconstitutional was not originally a part of this ordinance.

9 **Section 12. *Repealer.*** All ordinances and resolutions, including but not limited to Little Rock, Ark.,
10 Ordinance No. 21,343 (December 13, 2016) (“the 2017 Budget Ordinance”), and any other ordinances or
11 resolutions that relate to financial reporting within the City, are hereby repealed to the extent of such
12 inconsistency.

13 **Section 13. *Emergency Clause.*** *It is imperative that a Budget Ordinance for the ensuing fiscal year*
14 *and calendar year be passed prior to the end of the current calendar year in order to assure the continued*
15 *provision of City services, operations, and facilities; such continuation is essential to the public health,*
16 *safety and welfare, an emergency is, therefore, declared to exist and this ordinance, with the exception of*
17 *Section 8 which deals with the compensation of the Mayor and Members of the Board of Directors, shall*
18 *be in full force and effect on January 1, 2018, and the various City Departments shall operate immediately*
19 *upon its passage, and for purposes of record keeping and otherwise, as if it were in full force and effect*
20 *from and after the date of its passage.*

21 **PASSED: December 19, 2017**

22 **ATTEST:**

APPROVED:

23
24 _____
25 **Susan Langley, City Clerk**

_____ **Mark Stodola, Mayor**

26 **APPROVED AS TO LEGAL FORM:**

27
28 _____
29 **Thomas M. Carpenter, City Attorney**

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1 EXHIBIT A

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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 15th
12 business day after the end of the previous calendar month. For FY 2018 the calendar of events is as
13 follows:

14
15 CALENDAR OF EVENTS RELATED TO TIMELY PREPARATION OF CITY FINANCIAL
16 REPORTS

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