



City of Little Rock

Bruce T. Moore
City Manager

City Hall, Room 203
500 W. Markham
Little Rock, Arkansas 72201-1427
(501) 371-4510
Fax: (501) 371-4498
www.littlerock.org
citymanager@littlerock.org

December 18, 2012

To the Honorable Mayor Mark Stodola
and Members of the Little Rock City Board of Directors:

I respectfully submit the official Year 2013 Budget for the City of Little Rock that builds on the accomplishments and service improvement programs initiated last year. While the economic downturn experienced in the past several years continues to create significant challenges for the City, the passage of the new one (1)-cent local sales tax, which became effective January 1, 2012, significantly enhances the operating and capital resources necessary to improve public safety and the City's infrastructure, stimulate economic development, and provide much needed funding for parks and programs that improve the quality of life for Little Rock citizens. Overall operating expenditures total \$222,583,558, an increase of \$10,270,900, or 4.8% more than the 2012 Adopted Budget and \$4,927,150, or 2.3% more than the final 2012 Amended Budget. The Operating Budget changes for the 2013 Year are summarized below:

City of Little Rock
Comparison of Budgets - FY13 to FY12

	<u>2013</u>	<u>2012 (1)</u>	<u>Change</u>	<u>% Change</u>
General Fund	\$171,211,160	\$163,569,236	\$7,641,924	4.7%
Street Fund	17,594,796	16,551,612	1,043,184	6.3%
Fleet Services Fund	12,616,069	11,667,454	948,615	8.1%
Waste Disposal Fund	17,688,470	17,154,395	534,075	3.1%
Vehicle Storage Facility Fund	1,293,257	1,326,100	(32,843)	-2.5%
Parking Garages	2,179,806	2,043,861	135,945	6.7%
Total	<u>\$222,583,558</u>	<u>\$212,312,658</u>	<u>\$10,270,900</u>	<u>4.8%</u>

(1) The 2012 Budget has been adjusted to reflect the consolidation of the River Market, Golf, Jim Dailey Fitness & Aquatic Center, and Zoo Enterprise Funds with the General Fund.

The 2013 Operating Budget has been developed around common themes from the Mayor and Board of Directors policy and priority areas. These strategic priority areas include: Public Safety; Economic Development; Infrastructure; Basic City Services; and Quality of Life Issues.

OVERVIEW

General Fund:

The General Fund 2013 Operating Budget includes several significant changes from the 2012 Operating Budget. Little Rock citizens passed an additional one (1)-cent local sales tax in September 2011 that was effective on January 1, 2012. Faced with significant challenges with stagnant revenue in many areas due to the lingering effects of the economic downturn, and one of the lowest local tax rates in the State, citizens supported the new tax initiative. The City held several public hearings in each Ward to discuss priority needs associated with Public Safety, Public Works, Jobs and Economic Development, Parks and Recreation, Zoo and Tourism, and other priorities, including fleet replacement, information technology needs, pension funding, and public transportation. The priority needs were divided between ongoing operating needs and capital needs. The five-eighths (5/8)-cent permanent increase in sales tax for operations is reflected in the FY13 Adopted Budget. The three-eighths (3/8)-cent temporary sales tax for capital projects, which expires in ten (10) years (2021), is discussed in detail in the capital section of the budget document. In addition, in a special election held on September 11, 2012, Little Rock citizens approved the issuance of capital improvement bonds not to exceed \$105 million for street and drainage improvements. Up to \$73.5 million of the bonds are dedicated to street improvements with the remaining \$31.5 million available for drainage improvements throughout the City. The bonds are secured by a three (3)-mill ad valorem tax on taxable property located within the City of Little Rock. The City expects to issue the bonds in the first half of 2013.

Sales Tax continues to be the leading revenue source for the City at approximately 57% of General Fund revenues. The City's sales tax is composed of a one and one-eighth (1-1/8)-cent local tax on gross receipts, which includes the half (1/2)-cent sales tax in effect since 1994, combined with the new five-eighths (5/8)-cent operating sales tax effective January 1, 2012, as well as a per capita allocation of a one (1)-cent County tax and State Turnback funds. The three-eighths (3/8)-cent temporary sales tax for capital projects is not reflected in the operating budget; however, it is reported in a separate capital projects fund. Revenue from the operating portion of the new sales tax is committed primarily to filling vacant Police Officer positions, supporting the twelve (12) new Fire positions for the West Little Rock Fire Station that opened in 2012, maintaining grant-funded positions in the Police and Fire Departments and the addition of Code Enforcement Officers. Also included is funding for neighborhood-based/community initiatives of \$5.5 million, increased funding for building maintenance, expanded park maintenance, Zoo deferred maintenance, operations and staffing, annual fleet replacement, information technology staffing and maintenance, and new transit routes. Many of the initiatives supported by the new sales tax were implemented during 2012 and will experience the first full year of operation in 2013. Actual sales tax revenues for 2012 were more than 2011 revenues by approximately 45.5%. Changes to the Arkansas Sales and Use Tax Law known as the "streamlined sales tax" took effect beginning January 1, 2008. Sales tax revenues are distributed based on where the purchaser takes receipt or delivery of the product or service. In addition, local tax caps on most single transactions are no longer applicable when City and County Sales and Use Taxes are collected. The local tax cap continues to apply to the first \$2,500 per item

on the sale of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes. Businesses, schools, governments and charitable organizations are able to recover the tax paid on single transactions over the previous cap amount through a rebate program. The program allows such tax payers a period of up to six (6) months from the date of the transaction in which to claim the rebate. State Statute restricts the level of tax information available to municipalities which makes forecasting sales and use tax revenues very difficult. Excluding the impact of the new tax rate, growth in sales tax receipts compared to the same period a year ago were volatile throughout the year. Based on growth of approximately 2% in the first eight (8) months of 2012, growth for 2013 was projected to be approximately 1.5%. The normalized growth rate declined in the last two (2) months of the year by 1.87%. Therefore, the City will need to achieve growth of approximately 2.5% over actual 2012 year-end results to meet the 2013 sales tax budget of \$96,930,800.

Franchise fees from local utilities comprise approximately 16% of general fund revenues. Franchise fees from Entergy Corporation, the electric utility, increased approximately 4.9% in 2012 and are expected to decrease by 2.9% in 2013. Storm recovery charges passed on to customers and weather impact rates and usage. Franchise fees from Centerpoint Entergy, the gas utility, declined 22.8% in 2012 primarily due to lower natural gas prices and a 10% decline in usage. Revenues in 2013 from Centerpoint Entergy are expected to be consistent with 2012 levels. Franchise fees from telecommunication companies are expected to decrease approximately 4% after several years of decline due to on-going competition from wireless companies. There are scheduled rate increases included in the budget for Central Arkansas Water and Little Rock Wastewater. Central Arkansas Water announced a rate increase of approximately 3.9% in 2013 followed by an additional 4% in 2014. In addition, Little Rock Wastewater rates will increase approximately 8% in 2013, 7% in 2014 and 4.75% in 2016 to comply with the terms of the Sierra Club lawsuit to reduce sanitary sewer overflows in Little Rock. Residential customers, on average, will experience lower rate increases of approximately 4.5%, 2.5% and 4.75% in 2013, 2014 and 2016 respectively.

Property Tax revenues make up approximately 11% of General Fund revenues. Little Rock recently received its Original Charge for 2012 Property Taxes to be collected in 2013. The Original Charge is approximately 1.19% over last year's value and represents the total amount assessed on real estate and personal property for the previous year. The 2013 Budget reflects an increase in Property Tax revenues of approximately 4.9% from the original 2012 Budget and approximately 3.6% from the final amended 2012 Budget. However, actual 2012 year-end revenues were stronger than expected and slightly over the 2013 projected budget amount. I am pleased that overall property values in Little Rock were maintained during the recent economic downturn. The City has not experienced the decline in values that were prevalent in other parts of the country.

City employees have demonstrated their dedication and professionalism by providing quality service to the citizens of Little Rock. The General Fund Budget supports 1,639 full-time equivalent (FTE) positions, a net increase of forty-two (42) FTEs compared to 2012 staffing levels. The staffing additions include eighteen (18)

Fire positions previously funded by grants. In addition, special projects and grant awards support sixty-seven (67) employees, including an award under the *American Recovery and Reinvestment Act* COPS Program for twenty (20) Police Officer positions. However, approximately seventy-five (75) of the budgeted General Fund positions were kept vacant during 2012. This represents a significant improvement over the 152 budgeted General Fund positions that were kept vacant in 2011. With the passage of the new sales tax, approximately seventy-seven (77) vacant positions were filled in 2012, particularly in the areas of Public Safety and Parks and Recreation. The 2013 Operating Budget expenditures include \$121,361,267 in personnel cost, net of an anticipated \$3.9 million in savings from authorized but vacant positions. Police, Fire and AFSCME personnel covered by labor agreements will receive a pay increase of 3%. AFSCME personnel will receive a minimum increase of \$1,000 in 2013. An allocation for non-uniform non-union employees of 3% was included in the budget as well, to be awarded based on merit. Health insurance costs will increase approximately 15.2%. The City is increasing its emphasis on wellness programs in 2013 to mitigate cost increases. Employees that do not take advantage of wellness initiatives will share in the cost of future health insurance benefit increases. Benefit changes approved by the State Legislature increased pension costs slightly for Fire and Police uniformed personnel. Pension costs increased from 17.58% to 18.58% of payroll for uniformed Fire personnel and from 14.23% to 15.23% of payroll for uniformed Police personnel. Pension costs for Court Clerks increased from 14.24% to 14.88%. The City recently engaged a consultant to review options for improving the pension plan for non-uniform personnel. In the interim, the City is increasing its contribution to the plan from 4% of salary to 7% of salary. The employee contribution for 2013 will remain at 3.5%. Vacant positions are budgeted at the mid-range salary for the position's grade, providing some budget flexibility in the recruiting process. Overall, with the changes in salary, benefits and the increased number of filled positions, personnel cost will increase approximately 7% in 2013.

Fleet and fuel costs are projected to increase approximately \$455,000 in 2013. The 2013 Fuel Budget is based on estimated unleaded and diesel fuel per gallon prices averaging \$3.50 and \$3.75 respectively. The cost per gallon of fuel has not increased, but the consumption is expected to increase associated with the new Fire, Police, and Code Enforcement staffing. The budget for fleet parts increased due to the aging fleet. However, as the annual fleet replacement schedule is resumed with the passage of the sales tax, repair and maintenance cost will be reduced.

The City's 2013 allocation for outside agency contributions increased by approximately \$532,000 compared with the 2012 Budget. The majority of this increase is associated with the Central Arkansas Transit Authority (CATA) Bus and River Rail operations. Two (2) new routes will be added to bus service in 2013 servicing the John Barrow Neighborhood and Pulaski Technical College.

The City issued an \$18,580,000 short-term financing note in March 2012 to accelerate public safety projects associated with the three-eighths (3/8)-cent sales tax for capital projects. Short-term financing notes are authorized under Amendment No. 78 to the Arkansas Constitution for the acquisition, construction and installation

of real and tangible personal property having an expected useful life of more than one (1)-year. The notes are repaid over a period of five (5) years from general revenues. The principal portion of the new note will be repaid with proceeds of the three-eighths (3/8)-cent sales tax for capital projects. The interest payments are included in the General Fund Budget. Debt service payments will actually decrease by approximately \$1,796,000 in 2013 due to the retirement of previous short-term notes in 2012.

Funding of the Pulaski County Jail was continued in order to provide space for prisoners in accordance with the City's primary focus on Public Safety. In addition, an extra allocation is available from a \$20 local jail fine to contribute toward operations for expanded Pulaski County Jail space if needed.

A Homeless Services Task Force was established in 2006 to end chronic homelessness within our community. The City of North Little Rock has partnered with Little Rock to financially fund the Day Resource Center. The services provided to homeless individuals and families are focused on finding housing, job referral, and case management services, medical, dental and psychiatric assistance. In addition, both municipalities are working with the various support groups in Central Arkansas as part of the on-going process to address the needs of homeless individuals and families. In 2011, the City acquired a building on Confederate Boulevard in Little Rock for a permanent Day Resource Center. The new Day Resource Center is expected to open in 2013 with continued operating support from Little Rock and North Little Rock.

The City is appropriating approximately \$5.5 million for Children, Youth and Family Programs, including youth employment, skills center funding, and re-entry programming in 2013 as part of City's emphasis to foster and enhance youth and community development. City Staff will continue to work with community groups, neighborhood associations, the faith-based community and other groups to ensure resources are targeted appropriately. In addition, the City implemented an in-house pilot program to train and utilize disadvantaged persons for the construction and maintenance of sidewalks in conjunction with the skills center and re-entry programming. The program was extremely successful in 2012 and will be continued in 2013. In addition, Community Programs Staff is evaluating other opportunities for expansion of the program utilizing entry-level positions available in other City Departments.

The 2013 Budget includes a contingency allocation of 1% of General Fund revenues, \$1,710,000. The City of Little Rock's Management Team will continue to manage the City in a sound and fiscally prudent manner while striving to deliver the quality and level of service that the citizens of Little Rock expect with available resources.

2012 Accomplishments

Little Rock Police Department: The Little Rock Police Department completed the process for reaccreditation with the Commission on Accreditation for Law Enforcement Agencies in November 2012 and will again be awarded Accreditation

status for an additional three (3) years. This designation is afforded to premiere agencies and has established the Little Rock Police Department as a model for other agencies seeking accreditation. The 311 System has greatly increased service delivery to the citizens of Little Rock. A total of 96,654 requests for City services were made utilizing the 311 System. Recruit School #72 graduated thirty-one (31) new Officers in December 2012. Two (2) Certified Officer Accelerated Training (C.O.A.T.) Schools were held during 2012 with four (4) Officers graduating and an additional twelve (12) C.O.A.T applicants are currently being processed. Recruit School #75 is currently in session with twenty (20) recruits.

Little Rock Fire Department: The Little Rock Fire Department continued to provide quality services, responding to more than 26,793 fire and emergency calls during 2012. The Department completed construction and held the grand opening for a new fire station in West Little Rock. The funding was provided through an American Recovery and Reinvestment Act Grant and the City of Little Rock sales tax initiative. In addition, the Fire Department received a grant to fund the purchase of a driving simulator and the establishment of a simulator training course. A third grant allowed the Community Outreach Division to establish a Volunteer Corps Program where citizen volunteers are utilized to install free smoke alarms and carbon monoxide detectors in homes in Little Rock. All grants were awarded by the Federal Emergency Management Agency. In addition, in 2012 the authority and safety of the Fire Marshals Division was upgraded through the training of five (5) Fire Marshals to become certified Law Enforcement Officers. This allowed for a greatly increased arson arrest rate. Fire Department vehicles were upgraded with the purchase of one (1) aerial truck and three (3) engines. The Department continues to move forward with the accreditation process through the Center for Public Safety Excellence.

Public Works: In 2012, Public Works Operations Staff responded to 6,005 service requests via the 311 service request system and swept 24,389 curb miles of streets. In addition, staff administered a successful Sidewalk Program, utilizing disadvantaged citizens re-entering the workforce. Civil Engineering oversaw the collection and compilation of citizen requests for infrastructure improvements and developed cost estimates and feasibility studies pertaining to those requests. The information will be presented to citizens during community meetings in each of the City's Wards, to determine which projects will be completed with the capital sales tax allocation and 2013 Capital Bond Issuance over the three (3)-year cycle that begins in 2013.

Fleet Services: For the fourth time, the Fleet Services Department was recognized as one of the 100 Best Fleets of North America. The purchase of property for the new Compressed Natural Gas (CNG) Station was completed. The Fleet Acquisitions unit purchased 126 vehicles including fire apparatuses, police cars and motorcycles, code enforcement vehicles, refuse trucks, and dump trucks. In addition, nineteen (19) pieces of equipment, such as trailers, dump beds, a grinder for the Landfill and mowers were purchased. The associated dollars for all fleet purchases totaled \$7,243,041 funded primarily with proceeds from the new sales tax.

Finance: The Finance Department obtained the Government Finance Officers Association (GFOA) Certification of Recognition for the 2012 Budget Presentation

and the GFOA Certificate for Excellence in Financial Reporting for the 2011 Comprehensive Annual Financial Report. The Grants Division provided assistance to other Departments, component units, non-profit organizations, and neighborhood organizations of the City in training, writing, obtaining, monitoring and reporting on grant awards. In addition, the Department provided quarterly reporting to the Little Rock Citizens Evaluation of New Tax (LRCent) committee on the status of the new local sales tax and on progress toward completion of capital projects authorized under the three-eighths (3/8)-cent portion of the tax.

Information Technology: The Information Technology Department completed a major upgrade of the LAWSON Enterprise Resource Planning System. The system supports the City's Financial and Human Resource requirements for managing revenue, budget, payroll, and procurement. In addition, the Department upgraded the security firewalls for the City's network which protects the City's network systems.

Human Resources: The Human Resources Department implemented new wellness and fit-for-life sessions. New training sessions were offered in the area of basic personal finance and budgeting activities, along with supervisor training for disciplinary appeal hearings. All job descriptions were scanned into the imaging system for electronic storage and uploaded into the applicant tracking system. Staff issued a request for qualifications for a pension consultant to assist in the research and development of a new pension plan for non-uniform employees. The Department began a required health appraisal for all benefits eligible employees for 2014.

Parks & Recreation: In 2012, Ottenheimer Therapeutic Recreation Center was opened and dedicated. The Center is designed to provide positive emotional, social, physical or cognitive changes in individuals with special needs to improve their quality of life. Little Rock's Parks and Recreation conducted a thorough and detailed inspection of every playground within the Parks and Recreation inventory. Little Rock Marathon increased participation by 10% for the 10th Anniversary. Park maintenance schedules were upgraded from Class C to Class B status with funding provided by the new sales tax. The Centre at University Park construction and development plans were implemented, and the new facility is expected to open in July 2013. The Department's "Lights on After School" initiative was again successful in that it continues to promote the critical importance of quality afterschool programs in the lives of children, their families and community.

Planning & Development: The Planning and Development Department coordinated with the Planning Commission and the Board of Directors for the review and adoption of several Zoning and Subdivision Ordinance Amendments. The Future Land Use Plan and existing zoning were made available on-line via the City's web page. The National Endowment of the Arts (NEA) Our Town Grant final plan, *The Creative Corridor: A Main Street Revitalization for Little Rock* was presented to the community. The 2011 National Electrical Code and 2012 International Property Maintenance Code were adopted. A draft of a Complete Streets Resolution was reviewed by the Bicycle Friendly Community Committee.

Little Rock Zoo: The Little Rock Zoo had a strong year for attendance and revenue in 2012 as the Zoo continues to provide engaging experiences that inspire people to conserve and value our natural world. The Zoo completed a significant capital project this year with the grand opening of the new Laura P. Nichols Cheetah Outpost. In addition, the Zoo utilized new sales tax revenues to begin implementation of a strategic business plan for the long-term growth and development of the Zoo. The Zoo added a new Education Department with an Education Curator and assistants and added key staff in guest services, marketing and development, facilities operations, and animal management. As a result, the Zoo was able to add additional education programs and on-site animal demonstrations, new landscaping and horticulture design, improve existing animal exhibits and facilities, and offer unique special events that improved the overall guest experience. The Zoo was granted accreditation from the Association of Zoos and Aquariums and continues to participate in Species Survival Plans (SSP) for endangered animals.

Housing & Neighborhood Programs: Housing and Neighborhood Programs was able to move toward more effective code enforcement. This was accomplished with the addition of ten (10) new Code Enforcement Officers funded by the sales tax initiative. The Little Rock Animal Village adoptions totaled 1,466 animals in 2012, an increase of 246 animals over the previous year.

Community Programs: The Community Programs Department initiated planning for departmental allocation of new revenues in collaboration with community partners. The Department implemented a summer jobs training component for returning youth to learn money management skills. In addition, the Department provided staff support for the Children, Youth, and Families Commission in strategic planning and recognized all area National Merit Scholars with a reception, program, and certificates.

Budget Polices and the Budget Process: The General Fund goal was to set aside the greater of \$10,000,000, or 10%, of General Fund revenues in the Restricted Reserve on or before December 31, 2005; however, due to economic conditions in the past few years, the City has been unable to meet this goal. The restricted reserve is currently \$9,418,000. The 2013 Budget includes a contingency allocation of an additional \$1.7 million. Following the completion of the 2012 audit, the City's management team will determine the amount of funds available to increase the reserve, with the intent of gradually increasing the Restricted Reserve to achieve 10% of General Fund revenues in the next few years.

2013 Goals

- In coordination with the Mayor and City Board, staff will have a major focus on completion of projects funded by the new sales tax. Staff will constantly track, monitor, and report on capital projects funded by the sales tax and will maintain a detailed tracking system on the City's web site, www.littlerock.org.

- Continue review meetings with the new Little Rock Citizen Evaluation of New Tax (LRCent) Committee to review expenditures and progress toward initiatives supported by the new one (1)-cent sales tax. These meetings will provide an additional layer of accountability and transparency to tax payers.
- Conduct community meetings in each Ward to establish the street and drainage plan for the 2013 – 2015 cycle of the sales tax infrastructure improvements.
- Continue development and construction of the 12th Street Station. Purchase property for a West Little Rock Police Station.
- Complete the land acquisition and begin construction of a new Fire Station in Southwest Little Rock.
- Continue the development of the West Central Community Center.
- Continue the City's focus on economic development and sustainability.
- Continue funding for the Homeless Coordination Program, and open the new permanent location for the Homeless Day Resource Center in Little Rock.
- Provide \$5.5 million in funding for Children, Youth, and Family Programs, including youth employment, skills center funding, and reentry programming, to continue the program to train and employ disadvantaged persons for construction and maintenance of sidewalks, and to explore opportunities for expanding the program to include other entry level positions.
- Complete the issuance of \$105 million in Capital Improvement Bonds for street and drainage improvements throughout the City.
- Implement a new pension plan for non-uniform employees based on consultant recommendations.

Economic Outlook

The primary challenge facing the City of Little Rock remains providing a full complement of services that satisfy the needs of citizens in the midst of an uncertain, but stabilizing, economic climate. While the economic recovery continues, it remains slow and fragile.

The latest comparative figures for the City of Little Rock show unemployment at 6.4%, compared with a U.S. average of 7.8%, according to data from the United States Department of Labor, seasonally adjusted for local figures by Metroplan. The United States economy gained jobs in 2011 and 2012; however, the local region has not seen significant job growth since 2008. The seasonally adjusted regional labor force has declined from a peak of around 350,000 workers in March – April 2012 to just 341,000 in December 2012. Little Rock remains a vital employment center, accounting for approximately 53% of all jobs, by place of work, in the Little Rock-North Little Rock metropolitan areas. A large component of the City's workforce is in the areas of health care, education and public administration. These sectors are less vulnerable to national employment trends.

Little Rock's housing markets have felt the boom-bust cycle of recent years; however, they have been less severely affected than the U.S. average. Single-family housing permits began to rebound during 2012, moving to an average of thirty (30) monthly; the highest level since 2008. Permits for single-family units increased to 395 in 2012 from 328 in 2011, still far below the 700-plus permits that occurred annually 2003-2007. Multi-family housing construction slowed in 2012 to 273 units, compared with 1,022 units in 2011. Commercial property construction continues to show strong growth. Two (2) of the major construction projects that were permitted in 2012 include the \$2 million St. Vincent Cardiac Hospital expansion and the new \$9.7 million Residence Inn by Marriott at 219 River Market Avenue in Downtown Little Rock. Park Avenue, the mixed-use development in Mid-Town is nearing full occupancy with the October opening of Jared's Galleria of Jewelry.

The City's long-term outlook remains bright; most indicators continue showing competitive advantages in the local metropolitan area. Job losses in some sectors have been balanced, even in recession, by gains in areas with future potential.

In October 2012, Little Rock was named a "Top Ten (10) Downtown" by *Livability.com*, a national website that highlights more than 500 of America's best places to live and visit. The listing includes communities with downtowns that are walkable, well thought out, and that have a wealth of dining and entertainment options. Little Rock was chosen for its downtown revitalization projects and economic development efforts and for the wealth of quality-of-place amenities – arts and cultural attractions, restaurants, nightlife, shops and boutiques – the downtown area offers residents and visitors. Revitalization of Main Street continues with a plan funded by the National Endowment for the Arts for a creative corridor. There are approximately \$1.6 million in Federal grants currently focused on Main Street projects.

In June 2012, Bass Pro Shop announced that it will open a store in Little Rock, creating 250 jobs. The outdoor store will be part of a new outlet mall, the Gateway Town Center development, located near Interstate 30 and Interstate 430 in Southwest Little Rock. The store is expected to open by Christmas 2013.

Arkansas Children's Hospital unveiled its largest construction project in its 100 year history in June 2012. The project is a 258,000 square-foot, \$121 million South Wing. The four (4)-story addition connects to the existing hospital and offers a nearly 30,000 square-foot Emergency Department, an outpatient clinic for patients with cancer and blood diseases and an expanded Neonatal Intensive Care Unit.

In July 2012, Southwest Power Pool marked the grand opening of its twenty (20)-acre, \$62 million headquarters campus in West Little Rock. The campus is intended to improve efficiency both from technical and personnel angles. The campus contains a 34,000 square-foot control center, a 150,000 square-foot administration building and a two (2)-story parking deck. Southwest Power Pool, a non-profit regional transmission organization, provides power supplies, transmission infrastructure and other services to sixty-five (65) members in the electricity utility industry in nine (9) states. The organization is seeking LEED Certification for the new headquarters.

Developers broke ground on a new arcade building in the River Market in October 2012. The \$17 million project is a joint venture between the Central Arkansas Library System and Moses Tucker Real Estate and will contain retail space, a 325-seat theater, a restaurant and office space. The building will be located at the corner of Clinton and River Market Avenues and is scheduled to open in November 2013. Dr. Bobby Roberts, Central Arkansas Library System Executive Director, announced an agreement with the Little Rock Film Festival and its institute to be the host facility for the nationally acclaimed Little Rock Film Festival.

The City, in partnership with the Little Rock Regional Chamber of Commerce, will continue to identify economic development opportunities that result in the expansion, retention or start-up of businesses that create jobs and generate sales tax, property tax or other forms of revenue for the City. \$38,000,000, or 19.4%, of the revenue anticipated from the three-eighths (3/8)-cent temporary sales tax for capital projects is dedicated to jobs and economic development over the next ten (10) years. The funds will be utilized for port expansion, development of a research park, and job recruitment and economic development infrastructure.

Closing: This budget is the financial and operating plan for the City of Little Rock for 2013. The appropriations included provide for quality municipal services.

I want to recognize the many members of our City Staff that are actively serving in our nation's military and acknowledge the additional hours and duties the Department Staff may be undertaking in their absence. To all of you, thank you for your service.

The City of Little Rock has made great strides in the utilization of technology to communicate with local citizens and businesses. The City's website, www.littlerock.org, is among the best and will continue to improve communication efforts. In addition, the City is proud of our local government access channel LRTV, which broadcasts information regarding the activities of the Little Rock City Board of Directors through live and taped coverage of City Board Meetings and other official proceedings; and produces programming regarding municipal affairs.

The City has seen great progress over the past years with more to come in 2013 and beyond as the Mayor, City Board of Directors and City Staff continue to offer vital services to the citizens of Little Rock. And finally, a very special "Thank You" to the citizens of Little Rock. We strive every day to serve you to the best of our collective abilities.

Respectively submitted,



Bruce T. Moore
City Manager