

**FISCAL IMPACT
CONTINUED**

Adjustment	Revenue	Expenditure	Net
Street Fund:			
7. Revenue	(\$474,496)	\$0	(\$474,496)
8. Operating Expenditures	0	176,905	(176,905)
Street Fund Amendment	(\$474,496)	\$176,905	(\$651,401)
2023 Adopted	25,909,697	24,503,779	1,405,918
Street Fund Amended Total	<u>\$25,435,201</u>	<u>\$24,680,684</u>	<u>\$754,517</u>
Vehicle Storage Fund:			
9. Revenue	\$147,238	\$0	\$147,238
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Vehicle Storage Fund Amendment	\$147,238	0	\$147,238
2023 Adopted	<u>1,896,585</u>	<u>1,825,987</u>	<u>70,598</u>
Vehicle Storage Fund Amended Total	<u>\$2,043,823</u>	<u>\$1,825,987</u>	<u>\$217,836</u>
Waste Disposal Fund:			
10. Revenues	(\$10,020)	\$0	(\$10,020)
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Waste Disposal Fund Amendment	(\$10,020)	0	(\$10,020)
2023 Adopted	25,485,100	25,485,100	0
Waste Disposal Fund Amended Total	<u>\$25,475,080</u>	<u>\$25,485,100</u>	<u>(\$10,020)</u>

Details for the above adjustments are included in the background below:

RECOMMENDATION

Approval of the ordinance.

BACKGROUND

Each year, the Board considers adjustments to the Adopted Budget. Ten (10) adjustments should be made to the FY23 Budget to reflect changes to the General Fund, Street Fund, Vehicle Storage Fund, and Waste Disposal Fund, which have occurred since the adoption of the 2023 Budget in Ordinance No. 22,215, on December 20, 2022.

**BACKGROUND
CONTINUED**

1. Adjustments to General Fund Revenues: General Fund revenues will be adjusted based on year-to-date actual results and projections through year-end. Property tax increases are attributed to the property reappraisal in 2022, which was significantly higher than the last appraisal, five years before. The sales tax adjustment reflects actual receipts through August (June revenues). Licenses and permits are expected to have a net increase reflecting an increase in business licenses and mixed drink supplemental revenues associated with increased activity at restaurants and bars. Planning permit revenues are also above budget. Charges for services reflects net increases in Zoo and Golf revenues, mainly derived from the Rebsamen Course. River Market and Tennis revenues have declined in comparison to prior years. Realized investment income is attributed to higher cash and investment balances and increased interest rates.

Property Taxes	\$188,845
Sales and Use Tax	5,453,114
Licenses and Permits	262,205
Charges for Services	
River Market	(24,802)
Golf	68,642
Tennis	(17,166)
Little Rock Zoo	344,563
Investment Income	<u>335,612</u>
Net increase to General Fund Revenues	<u>\$6,611,013</u>

2. Adjust the General Fund for Pass-Thru Intergovernmental Revenue from Pension Turnback Funds Dedicated to the Local Police and Fire Pension Plans: Actual Pension Turnback received was higher than anticipated in the Adopted Budget.

Revenues:	
Police Pension Turnback	\$201,835
Fire Pension Turnback	<u>129,028</u>
Net Increase to Revenues	<u>\$330,863</u>
Expenditures:	
Police Pension Contribution	\$201,835
Fire Pension Contribution	<u>129,028</u>
Net Increase to Expenditures	<u>\$330,863</u>

Net Impact to General Fund: **\$0**

**BACKGROUND
CONTINUED**

3. Adjust Personnel Cost for Anticipated Changes: The adjustment to the Police Department's personnel include equity adjustments to staff. The Fire Department personnel adjustment is to decrease the general fund's portion of fire salaries and this expense will utilize American Rescue Plan Act (ARPA) Funding instead. In addition, the Fire LOPFI rate increased 0.05% to 24%, offset by additional vacancy savings allocations.

Personnel Cost Expenditures:

Vacancy Savings	(\$477,583)
Police Department	60,052
Fire Department Salaries	(1,000,000)
Fire Department Pension	<u>321,981</u>
Net decrease to General Fund Personnel	<u>(\$1,095,550)</u>

4. Adjust General Fund Operating Expenditures:

Cyber Security Policy	160,000
Economic Development Contract Increase	250,000
Armed Guards Rate Increase	72,000
Legal Settlements	229,000
Finance CFO Recruiter	50,000
911 Operating Expense	126,449
Rebsamen Golf Concessions	20,000
Wifi and Cable Service	65,595
Zoo Operations	200,000
Animal Services	180,000
Willie L. Hinton Neighborhood Resource Center	115,000
Homeless Services Division	32,750
Police	104,250
Parks Maintenance	140,000
Finance Software	100,000
Net increase to Operating Expenditures	<u>\$1,845,044</u>

5. Increase Transfers Out to fund Special Projects: Funds will be allocated to transfers out to address the Food Deserts.

Transfers Out:

Food Deserts	\$1,000,000
High Vision Cameras – City Departments	1,000,000
Compensation Study	300,000
Legal Counsel and Financial Advisors	<u>100,000</u>
Increase to General Fund Transfers Out	<u>\$2,400,000</u>

6. Allocate Vacancy Savings:

	Vacancy Savings Allocation	Vac/Sick Payouts	Total	Original Personnel Budget	Other 10/17/23	Amended Personnel Budget
General Government	(\$124,838)	(\$961,437)	(\$1,086,275)	\$10,637,425		\$9,551,150
Board of Directors			0	296,302		296,302
Community Programs	(47,613)		(47,613)	329,260		281,647
City Attorney	(147,158)	6,404	(140,754)	2,176,480		2,035,726
District Court - Criminal	(81,641)	35,743	(45,898)	1,279,986		1,234,088
District Court - Traffic	(25,542)		(25,542)	1,098,815		1,073,273
District Court - Environmental	(24,878)	6,661	(18,217)	483,736		465,519
Finance	(351,462)	62,323	(289,139)	4,025,975		3,736,836
HR	(132,973)	1,238	(131,735)	2,012,042		1,880,307
IT	(224,343)	54,029	(170,314)	4,273,069		4,102,755
Planning and Development	(188,205)	13,219	(174,986)	3,180,867		3,005,881
Housing & Neigh. Programs	(496,615)	36,033	(460,582)	5,464,387		5,003,805
Public Works			0	753,207		753,207
Parks & Recreation	(668,281)	76,769	(591,512)	7,056,801		6,465,289
RiverMarket			0	413,246		413,246
Golf	(65,385)		(65,385)	1,043,525		978,140
Fitness	(58,905)	6,458	(52,447)	567,382		514,935
Zoo	(211,682)	31,266	(180,416)	4,556,518		4,376,102
Fire	(94,231)	91,338	(2,893)	54,593,390	(548,991)	54,041,506
Police	(3,589,821)	518,914	(3,070,907)	76,948,876	261,887	74,139,856
Emergency Communications	(914,010)	21,042	(892,968)	4,663,713		3,770,745
Vacancy Savings	7,447,583		7,447,583	(7,000,000)	(447,583)	0
Totals	\$0	\$0	\$0	\$178,855,002	(\$734,687)	\$178,120,315

**BACKGROUND
CONTINUED**

Street Fund Adjustments:

7. Adjust the Street Fund for Changes in Projected Revenues:
The State Gas Turnback received from the State are lower. One of the components of the turnback, natural gas severance fees are significantly lower than 2022. Realized investment income will increase due to rising interest rates.

State Gas Turnback	(635,988)
Investment Income	<u>161,492</u>
Net decrease to Street Fund Revenue	<u>(\$474,496)</u>

8. Adjust the Street Fund Operating Expenses:

Public Works Deputy Directors Salary	\$87,000
Set-Up Cost for Deputy Directors	<u>89,905</u>
Net Increase to Street Fund Expenses	<u>\$176,905</u>

Vehicle Storage Fund Adjustments:

9. To adjust Vehicle Storage Revenues for increased storage fees and vehicle auction sales:

Storage Fees	\$50,728
Auction sales	<u>96,510</u>
Increase to Vehicle Storage Revenues	<u>\$147,238</u>

Waste Disposal Fund Adjustments:

10. To adjust Waste Disposal Revenues for changes since adoption of the Budget, including a decrease in Sanitation Fees, offset by a significant increase in Landfill Fees. Private Haulers continue to utilize the landfill. Realized Investment Income has increased due to higher cash and investment balances. Other Miscellaneous Revenues are lower.

Sanitation Fees	(\$366,251)
Landfill Fees	332,657
Investment Income	73,323
Miscellaneous Revenues	<u>(49,749)</u>
Increase to Waste Disposal Revenues	<u>(\$10,020)</u>