

**OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION
NOVEMBER 7, 2017 AGENDA**

Subject	Action Required	Submitted By
Authorization to Adjust the Fiscal Year 2017 Budget for Changes to the General, Street and Fleet Funds	√ Ordinance Resolution Approval Information Report	
Submitted by: Finance Department		Bruce T. Moore City Manager

SYNOPSIS

Ten (10) adjustments need to be made to the 2017 Budget to adjust for changes in anticipated revenues and expenditures.

FISCAL IMPACT

Adjustment	Revenue	Expenditure	Net
1 Revenue Adjustments	\$1,227,440		\$1,227,440
2 Pension Pass-Thru	795,560	795,560	0
3 Personnel Expenses		652,175	(652,175)
4 One-time expenses / special projects		1,048,490	(1,048,490)
5 Other operating expenses		371,000	(371,000)
6 Golf Expenses offset by Marathon Transfer	155,850	155,850	0
7 Contingency		(844,225)	844,225
8 Vacancy Savings & Vac/Sick Alloc.		0	0
General Fund Total	\$2,178,850	\$2,178,850	\$0
8 Street Fund Transfers		\$320,000	(\$320,000)
9 Fleet Fund Transfers		\$500,000	(\$500,000)

RECOMMENDATION

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

BACKGROUND

Each year, the Board considers adjustments to the adopted budget. Ten (10) adjustments should be made to the FY17 budget to reflect changes to the General, Street, and Fleet Funds that have occurred since the adoption of the 2017 budget in Ordinance No. 21,343 passed on December 13, 2016.

1. Budget Adjustments for General Fund Revenues:

General Fund revenues will be adjusted for the increase in estimated property tax revenues, sales tax revenues, licenses and permits, intergovernmental revenues, franchise fees, and net charges for services (Zoo, Golf, River Market, Police Services, False Alarms, and 911 Fee reimbursements), partially offset by declines in net franchise revenues, and fines and fees.

Property Taxes	\$135,000
Sales Taxes	527,400
Licenses and Permits	572,850
Franchise Taxes	(348,000)
Intergovernmental Revenues	406,840
Charges for Services	
Zoo	213,350
Rebsamen Golf	12,000
War Memorial Golf	(25,000)
Hindman Golf	(59,000)
Police Services	90,100
River Market	(96,600)
False Alarms	139,000
911 Service Fee Reimbursements	(200,000)
Fines and Fees	(140,000)
Net increase to General Fund Revenues	<u>\$1,227,440</u>

2. Adjust the General Fund for changes in revenues and expenses dedicated to the Local Police and Fire Pension Plans:

An adjustment to reflect the increase in the annual intergovernmental pension turnback funds received in July and in the dedicated 1 mil property tax levies for Police and Fire Pensions. These revenues are dedicated to the closed Police and Fire Pension Funds and are directly offset by an increase in the pension contributions to those plans.

Revenue:

Pension Property Tax Levies	\$442,800
Intergovernmental – Insurance Turnback	278,760
Miscellaneous Police Pension Revenue	74,000
	<u>\$795,560</u>

Expense:

Fire – Pension Contribution	\$320,714
Police – Pension Contribution	474,846
	<u>\$795,560</u>

Net Impact to Budget **\$0**

3. Adjust personnel cost for Police Recruit Incentives, the mandatory overtime program for Police implemented in August, the addition of twelve (12) Police Traffic Safety Officers (beginning in December), and Fire overtime, partially offset by anticipated excess vacancy savings.

Expense:

Police Overtime Program	\$1,254,000
Fire Overtime	285,000
Police Recruit Incentives	198,175
Traffic Safety Officer Unit - December	40,000
Less estimated excess vacancy savings	<u>(1,125,000)</u>
Net Impact to General Fund Expense	<u>\$652,175</u>

4. Adjust the General Fund for one-time operating expenses and special projects, including vehicles and uniforms for the Traffic Safety Officer Unit, Planning projects for the I-30 Crossing and the Extraterritorial Growth Study, and additional weed-lot maintenance allocations.

Expense:

Traffic Safety Officer Uniforms	\$17,000
Traffic Safety Police Vehicles Project	316,700
Computer Aided Dispatch RFQ Project	56,940
(APCO approved Ordinance No. 21,449 8/1/17)	
Planning – I-30 Crossing Project	225,950
(Nelson/Nygaard Contracts approved Ordinance No. 21,326 & Resolution No. 14,652)	
Growth Study – Extraterritorial Plan	243,750
(Tischler Bise Agreement – on 11/7/17 Agenda)	
Additional Weed Lot Allocation (Housing)	<u>187,450</u>
Net Impact to General Fund Expense	<u>\$1,048,490</u>

5. Other operating expenditure adjustments for items approved by the Board of Directors and other programs initiated since adoption of the budget.

Expense:

Maintenance for Infor/Lawson Permitting, Strategic Sourcing
& Contracting, Asset Management, and Budget Modules

(Included in maintenance contract renewal \$65,000

Authorized by Ordinance No. 21,405 5/16/17)

Performance and Innovation Division 106,000

Chamber Economic Development Contract 200,000

(Approved Resolution No. 14,546 4/18/17, April
– December portion of annual contract)

Net Impact to General Fund Expense \$371,000

6. Adjust Golf Operations for annual operating expenses in excess of adopted budget, offset by a transfer from Marathon proceeds.

Revenue:

Transfer In – Marathon **\$155,850**

Expense:

Rebsamen \$98,550

War Memorial 33,900

Hindman 23,400

\$155,850

Net Impact to Budget \$0

7. Utilization of Contingency Allocation included in the Original Adopted Budget to offset one-time expenses:

Expense:

Reduce Contingency Transfer Out (\$844,225)

Reduction to General Fund Expense (\$844,225)

8. Allocate Vacancy Savings and Sick/Vacation Payouts experienced through September 30, 2017.

Note: Vacancy savings and vacation/sick payouts are allocated monthly based on actual savings and retirements/separations from service. The table below reflects the allocations through 9/30/17. Additional allocations will be made monthly through year-end.

	<u>Vacancy Savings</u> <u>9/30/17</u>	<u>Vac/Sick</u> <u>Payouts</u>	<u>Total</u>	<u>Original Pers.</u> <u>Budget</u>	<u>Additional Vac</u> <u>Savings</u> <u>Payouts and</u> <u>Transfers</u>	<u>Revised Pers.</u> <u>Budget</u>
General Government	(\$125,342)	(\$946,093)	(\$1,071,435)	\$7,783,571	\$63,350	\$6,775,486
Board of Directors	0	0	0	287,118		287,118
Community Programs	0	0	0	585,434		585,434
City Attorney	(208,670)	51,593	(157,077)	1,790,988		1,633,911
District Court - Criminal	(5,559)	37,441	31,882	1,152,940		1,184,822
District Court - Traffic	(13,425)	7,332	(6,093)	980,586		974,493
District Court - Environmental	(107,958)	0	(107,958)	479,383		371,425
Finance	(32,919)	37,961	5,042	2,874,284		2,879,326
HR	(112,336)	20,303	(92,033)	1,488,159		1,396,126
IT	(354,427)	8,413	(346,014)	3,206,334		2,860,320
Planning and Development	(156,100)	1,411	(154,689)	2,365,453		2,210,764
Housing & Neigh. Programs	(666,586)	38,212	(628,374)	4,783,515		4,155,141
Public Works	(41,409)		(41,409)	622,662		581,253
Parks & Recreation	(405,391)	8,041	(397,350)	7,654,119		7,256,769
RiverMarket			0	573,660		573,660
Golf	(8,743)	0	(8,743)	1,381,437		1,372,694
Fitness	(5,742)	0	(5,742)	668,965		663,223
Zoo	(350,525)	37,881	(312,644)	4,038,274		3,725,630
Fire	(366,716)	153,249	(213,467)	44,575,529	605,714	44,967,776
Police	(4,038,152)	544,256	(3,493,896)	64,880,438	842,021	62,228,563
Vacancy Savings	7,000,000		7,000,000	(7,000,000)		0
	\$0	\$0	\$0	\$145,172,849	\$1,511,085	\$146,683,934

9. Allocate Street Fund Balance to fund special project for River Trail West Capital Project:

Increase Transfers Out \$320,000
Net Impact to Street Fund Expense \$320,000

10. Allocate Fleet Fund Balance to fund purchase of Infor Enterprise Asset Management Module:

Authorized by Ordinance \$500,000
Net Impact to Fleet Fund Expense \$500,000