

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

**BOARD OF DIRECTORS COMMUNICATION
DECEMBER 16, 2025, AGENDA**

Subject: 2025 Fiscal Year Budget Adjustments; To Declare an Emergency	Action Required: √ Ordinance Resolution	Approved By: Delphone Hubbard City Manager
Submitted By: Finance Department		

SYNOPSIS

Sixteen (16) adjustments need to be made to the 2025 Budget to adjust for changes in actual and anticipated revenues and expenditures.

FISCAL IMPACT

Adjustment	Revenue	Expenditure	Net
General Fund:			
1. Revenues	\$1,673,464	\$0	\$2,159,814
2. Personnel Cost	0	0	0
3. Pass-Thru Adjustments	427,718	427,718	0
4. Transfers Out	0	500,000	(500,000)
5. Micro Home Village Operational budget	0	(500,000)	500,000
6. Short-term interest expense	0	548,671	(548,671)
7. Comcast reallocation	0	(70,805)	70,805
8. IT Comcast Budget	0	70,805	(70,805)
General Fund Amendment	\$2,101,182	\$976,389	\$1,611,143
2025 Adopted	263,108,099	263,108,099	0
General Fund Amended Total	\$265,209,281	\$264,084,488	\$1,611,143

**FISCAL IMPACT
CONTINUED**

Adjustment	Revenue	Expenditure	Net
Street Fund:			
9. Revenues	\$400,293	\$0	\$400,293
10. Storm Maintenance		60,000	(60,000)
11. Overtime Costs		70,000	(70,000)
12. Transfers Out	0	5,979,511	(5,979,511)
Street Fund Amendment	\$400,293	\$6,109,511	\$(5,709,218)
2025 Adopted	26,443,200	26,443,200	0
Street Fund Amended Total	\$26,843,493	\$32,552,711	\$(5,709,218)
Adjustment	Revenue	Expenditure	Net
Vehicle Storage Fund			
13. Revenues	\$219,483	\$0	\$219,483
14. Equipment Purchases		314,358	(314,358)
Vehicle Storage Fund Amendment	\$219,483	\$ 314,358	\$(94,875)
2025 Adopted	2,453,200	2,292,195	161,005
Vehicle Storage Fund Amended Total	\$2,672,683	\$2,606,553	\$ 66,130
Adjustment	Revenue	Expenditure	Net
Waste Disposal Fund			
15. Revenues	\$3,529,298	\$0	\$3,529,298
Waste Disposal Fund Amendment	\$3,529,298	\$0	\$3,529,298
2025 Adopted	26,543,400	26,543,400	0
Waste Disposal Fund Amended Total	\$30,072,698	\$26,543,400	\$3,529,298
Adjustment	Revenue	Expenditure	Net
Parking Garage			
16. Revenues	\$(349,621)	\$	\$(349,621)
Parking Garage Fund Amendment	\$(349,621)	\$0	\$(349,621)
2025 Adopted	\$3,315,200	1,425,755	1,889,445
Parking Garage Fund Amended Total	\$2,965,579	\$1,425,755	\$1,539,924

RECOMMENDATION

Pass the Ordinance.

BACKGROUND

Each year, the Board considers adjustments to the Adopted Budget. The sixteen (16) adjustments should be made to the FY 25 Budget to reflect changes to the General Fund, Street Fund, Vehicle Storage Fund, Waste Disposal Fund, and the Parking Garage Fund which have occurred since the adoption of the 2025 Budget in Ordinance No. 22,568 on December 26, 2024.

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 decreases are attributed to the original charge received in 2025. The sales tax adjustment reflects actual receipts through November (September revenues). Licenses and permits increases reflect a decrease in business licenses and mixed drinks. The Franchise Fees decrease results from electric consumption being lower than projected and the Investment Income increase is due to unanticipated performance due to higher rates.

Property Taxes	\$(291,522)
Sales Taxes	1,566,328
Licenses and Permits	(95,667)
Charges for Services	341,438
Fines and Fees	359,679
Franchise Fees	(617,548)
Investment Income	460,601
Donations & Contributions	74,535
Rents & Royalties	(95,064)
Miscellaneous Revenue	<u>(29,316)</u>
Net increase to General Fund Revenues	<u>\$1,673,464</u>

**BACKGROUND
CONTINUED**

2. Adjust Personnel cost for Anticipated Changes: Vacancies across the organization has created substantial savings from vacancies. Shown in the chart below. The 2025 adopted budget included vacancy savings of \$11,000,000 that was included in the Executive Administration budget. This allocates the vacancy savings to the departments of the City. Additionally, \$2,000,000 was budgeted for vacation and sick leave payouts in Executive Administration and this allocates those payouts to the departments. The overall impact on the budget is zero.

Department	Vacancy Savings Allocations	Vac/Sic Payouts	Total	Original Personnel Budget	Amended Personnel Budget
General Government	(445,413)	7,896	(437,517)	3,625,510	3,187,993
City Attorney	(355,457)	180,619	(174,838)	2,667,078	2,492,240
District Court Criminal	(49,937)	10,918	(39,019)	1,444,292	1,405,273
District Court Traffic	(46,003)	191	(45,812)	1,133,261	1,087,449
Finance	(249,604)	9,962	(239,642)	4,609,280	4,369,638
HR	(69,518)	6,394	(63,124)	2,580,150	2,517,026
IT	(437,025)	2,468	(434,557)	4,448,757	4,014,200
Planning & Development	(353,673)	61,352	(292,321)	3,476,937	3,184,616
Housing & Neighborhood Programs	(627,405)	130,346	(497,059)	6,959,383	6,462,324
Public Works - Building	(241,488)	101,963	(139,525)	834,517	694,992
Parks & Recreation	(851,477)	30,025	(821,452)	7,312,047	6,490,595
Golf	(106,625)	39,129	(67,496)	1,091,966	1,024,470
Jim Dailey	(73,262)	-	(73,262)	605,792	532,530
Fire	(1,169,222)	441,023	(728,199)	59,705,899	58,977,700
Police	(6,542,165)	377,609	(6,164,556)	86,304,633	80,140,077
Emergency Communications	(598,326)	15,142	(583,184)	4,840,835	4,257,651
Zoo	(203,753)	5,307	(198,446)	5,254,272	5,055,826
Totals	(12,420,353)	1,420,344	(11,000,009)	196,894,609	185,894,600

**BACKGROUND
CONTINUED**

3. Adjust General Fund for Pass-Thru Intergovernmental Revenues and Expenditures from Pension Turnback Funds Dedicated to the Local Police and Fire Pension Plans:

Revenues

Insurance Pension General Fund	\$436,287
Fire Pension Turnback	40,895
Police Pension Turnback	(63,327)
Fire Future Supplement Turnback	17,762
Police Future Supplement Turnback	<u>(3,899)</u>
Net increase to Revenues	\$427,718

Expenditures

Insurance Pension General Fund	\$436,287
Fire Pension Turnback	40,895
Police Pension Turnback	(63,327)
Fire Future Supplement Turnback	17,762
Police Future Supplement Turnback	<u>(3,899)</u>
Net increase to Expenditures	\$427,718

4. Increase Transfers Out from General Fund to fund Special Projects:
Additional funds are needed for the Micro Home Village Construction contract. The Housing & Neighborhood budget in the General Fund will be decreased by \$500,000 to move funding that was anticipated for the operations of the Micro Home Village to aid in construction costs of the Micro Home Village.

Micro Home Village	<u>\$500,000</u>
Increase to General Fund Transfers Out	\$500,000

5. Micro Home Village Operating Budget Reduction

As noted above, the 2025 adopted budget included \$500,000 for the operations of the Micro Home Village that will not occur this year. Instead, \$500,000 is needed for construction costs. As a result, the funding is being moved to a Special Project to be used for construction.

Housing and Neighborhood Operating Budget	<u>\$(500,000)</u>
Decrease to General Fund Operating Budget	\$(500,000)

**BACKGROUND
CONTINUED**

6. Budget to cover 2024 Short-term note interest expense:
All the short-term note debt payments have been made for this year. However, the interest expense exceeded budget due to miscommunication with the trustee related to the 2024 short-term note.

Short-term note interest expense	<u>\$548,671</u>
Increase to General Fund Operating Budget	\$548,671

7. Consolidate funding for Comcast from various departments:
Contract with Comcast renegotiated with lower fees now allocated to the IT department.

Remove Comcast allocation from various departments	<u>\$(70,805)</u>
Decrease to General Fund expenditures	\$(70,805)

8. Increase IT Budget for Comcast funding:
Contract with Comcast renegotiated with lower fees, now allocated to the IT department.

Add allocation for Comcast to IT Department	<u>\$70,805</u>
Increase to General Fund expenditures	\$70,805

9. Adjust Street Fund for changes in projected Revenues:

Reimbursement – Street Repair	\$ 13,619
Other Reimbursement	519
State Homestead Tax	69,891
Interest Income	493,044
State Gas Tax Turnback	(131,436)
State ½ 3-Mill Road Tax	(23,581)
Insurance Reimbursement	<u>(21,763)</u>
Increase to Street Fund Operating Budget	\$400,293

10. Adjust Street, Alleys & Bridge Maintenance Costs: To cover unanticipated storm response maintenance.

Street, Alleys & Bridge Maintenance	<u>\$60,000</u>
Increase to Street Fund Operating Budget	\$60,000

11. Adjust Personnel cost for Anticipated Changes: Overtime related to storm response.

Salaries Overtime	<u>\$ 70,000</u>
Increase to Street Fund Operating Budget	\$ 70,000

**BACKGROUND
CONTINUED**

12. Allocate reserves from Street fund for Emergency response equipment, materials and Labor costs: Funds allocated to transfers out to address needs.

2026 Vehicle & Equipment replacements	\$3,186,000
ARDOT reimbursement for the I-30 Crossing (CA0602)	<u>2,793,511</u>
Increase to Street Fund Transfers Out	\$5,979,511

13. Adjust Vehicle Storage Fund for increase storage and Wrecker fees:

Taxi Permits	\$ 730
Administration Fees	20,926
Storage Fees	51,788
Wrecker Fees	38,077
Auction Sales	41,743
Vehicle Storage Misc.	(1,718)
Interest Income	<u>67,937</u>
Net increase in Vehicle Storage Fees	\$219,483

14. Adjust Vehicle Storage Fund for Vehicle and Equipment Purchases:

Street Cleaner	\$ 140,373
(4) Chevrolet SUVs	<u>173,985</u>
Net increase in Vehicle Storage Operating Expenses	\$ 314,358

15. Adjust the Waste Disposal Fund for Changes in Projected Revenues:

Private Haulers continue to utilize the landfill, increasing landfill fees. Realized Investment Income has increased due to higher cash and investment balances. The transfer in is related to tipping fee reimbursement from FEMA related to the Tornado.

Landfill Fees	\$285,241
Investment Income	1,869,578
Transfers In	<u>1,374,479</u>
Net increase in Waste Disposal Fees	\$3,529,298

16. Adjust the Parking Garage for Changes in Projected Revenues:

Monthly Deck fees have been lower than anticipated.

Parking Fees	\$(395,290)
Investment Income	<u>45,669</u>
Net decrease in Parking Garage Fees	\$(349,621)