

ORDINANCE NO. _____

AN ORDINANCE TO PROVIDE FOR AND TO ADOPT THE 2026 BUDGET FOR THE CITY OF LITTLE ROCK, ARKANSAS, FOR THE PERIOD BEGINNING JANUARY 1, 2026, AND ENDING DECEMBER 31, 2026; TO APPROPRIATE RESOURCES AND USES FOR EVERY EXPENDITURE ITEM AND OPERATING FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, Little Rock, Ark., Rev. Code § 2-214 (1988), as amended, mandates that the Board of Directors adopts a budget for the ensuing fiscal year by not later than December 30th; and,

WHEREAS, the Mayor and the City Manager have fulfilled the requirements of Little Rock, Ark., Rev. Code § 2-212 (1988), and Little Rock, Ark., Ordinance No. 19,761 (June 12, 2007), and submitted for consideration of the Board of Directors a proposed budget and such other explanatory information as requested by the Board; and,

WHEREAS, the Board of Directors has reviewed the proposed Fiscal Year 2026 Budget as presented by the Mayor and the City Manager and is of the opinion that based upon the financial information presented to the Board, the following constitutes an appropriate determination of anticipated revenues, expenditures, and expenses for Fiscal Year 2026, and should be adopted as the 2026 Budget for the City of Little Rock, Arkansas.

**NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY
OF LITTLE ROCK, ARKANSAS:**

Section 1. This ordinance shall be known as the FY2026 Budget Ordinance of the City of Little Rock, Arkansas, for the twelve (12)-month period beginning January 1, 2026, and ending December 31, 2026, reflecting estimated resources and uses as set forth below.

Section 2. All resources identified within this ordinance herein are estimated and subject to change, and all appropriation uses identified within this ordinance are calculated upon available resources and are also subject to change.

Section 3. *Definitions.* For purposes of this ordinance, the following terms shall have the following meanings:

(A) *Board of Directors* means the Mayor and members of the Board of Directors of the City of Little Rock, Arkansas.

(B) *City Clerk* means the City Clerk, or designated representative, of the City, or if no one is officially

1 serving in the position, the Acting City Clerk, or designated representative.

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

5 (D) *Chief Financial Officer* means the Chief Finance Officer and Treasurer, or designated
6 representative, for the City, or if no one is serving in the position, the Acting Chief Financial
7 Officer and Treasurer.

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

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

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

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

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

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

31 **Section 4. *Compliance with Existing Laws, Statutes and Ordinances.*** This ordinance has been
32 prepared in accordance with various Arkansas Statutes that deal with Municipal Fiscal Reporting
33 Requirements, the *Financial Reporting Standards/or the City of Little Rock, Arkansas*, as approved in Little
34 Rock, Ark., Rev. Code §§ 2-245 to 260.8 (1988), and the standards of the Government Finance Officers

Association as authorized in Little Rock, Ark., Resolution No. 16,820 (October 6, 2025).

Section 5. Fiscal Year 2026 Budget. The following respective amount for every resource and appropriate use is herein set forth as follows:

(A) APPROPRIATE OPERATING RESOURCES:

General Fund	\$271,999,104
Street Fund	27,106,700
Waste Disposal Fund	27,435,300
Parking Garage Fund	2,954,816
Fleet Services Fund	18,220,453
Vehicle Storage Facility Fund	2,673,200
TOTAL RESOURCES	\$350,389,573

(B) APPROPRIATE OPERATING USES:

General Fund Departments

Executive Administration	\$33,274,294
Board of Directors	410,199
Community Programs	301,784
City Attorney	3,067,538
Municipal Court-Criminal	1,539,015
Municipal Court - Traffic	1,463,550
Municipal Court - Environmental	640,330
Finance	5,503,712
Human Resources	3,242,717
Information Technology	7,042,011
Planning & Development	3,698,692
Housing & Neighborhood Programs	8,990,016
Public Works	1,120,294
Parks and Recreation	11,927,050
River Market	1,164,852
Golf	1,808,479
Fitness and Aquatics	945,008
Zoo	7,725,563
Fire	68,671,344
Police	98,880,495
911 Emergency Communications	5,227,671
Debt Service	5,550,644
Transfer to Street Fund	194,000
Children, Youth & Families, Special Projects, Grant Match	11,367,482
Contingency	1,346,738
Vacancy Allocation (Authorized Unfilled Positions)	(13,104,374)
TOTAL GENERAL FUND	\$271,999,104
Street Fund	27,106,700
Waste Disposal Fund	27,435,300
Parking Garages Fund	1,387,330
Fleet Services Fund	18,220,453
Vehicle Storage Facility Fund	2,550,105
TOTAL USES	\$348,698,992

Section 6. *Outside Agency Contributions.* The appropriation for operating uses in Section 5 above includes the following amounts for various entities with which the City contracts for public services, or in which the City has an ownership interest, include the following:

A. Rock Region Metro (Central Arkansas Transit Authority)	\$9,854,118
B. Arkansas Arts Center	4,000,000
C. Pulaski County Regional Detention Center	3,600,000
D. Museum of Discovery	400,000
E. Downtown Partnership	300,000
F. Metroplan	186,384
G. PAGIS	153,850
H. Oakland Fraternal Cemetery	100,000
I. Pulaski County Health Unit	54,493
J. CHI St. Vincent	25,381
K. City Beautiful	2,500
TOTAL OUTSIDE AGENCY CONTRIBUTIONS	\$18,676,726

Section 7. *PILOT Payments.* In accordance with Act 497 of 1981, Act 713 of 1991, and Act 1629 of 2001, of the Arkansas General Assembly, the Director of Finance shall make appropriate payments to the Little Rock School District, the Pulaski County Special School District, and Pulaski County from any affected payment-in-lieu of taxes (PILOT) made to the City by a company for which Act 9 Industrial Development Bonds was issued; it is estimated that the gross amount of these resources for FY2026 is One Million, Three Hundred Thirty-Five Thousand, Sixty-One Dollars (\$1,335,061.00).

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

- A. Annual compensation of the Mayor is Two Hundred Thousand Dollars (\$200,000.00), and such other amounts as may from time-to-time be approved during the time this ordinance is effective; and,
- B. Annual compensation for each member of the Board of Directors is Twenty-Five Thousand Dollars (\$25,000.00); and,
- C. In addition to these amounts, there are expenditures noted within this ordinance which document the amounts paid for Mayor and Board member expenses and benefits.

Section 9. *Definition of Significant Variance.*

- A. To prepare this budget, it has been necessary to estimate the amount of revenue or other resources that the City will have available to it in Fiscal Year 2026, and the cost of the various expenditures and expenses that the City will incur during this period.
- B. To assure the efficient and responsible operation of the City, and the maintenance of its various programs and facilities, it is important for the Board of Directors to be timely advised of a

1 significant variance in revenues or expenditures during the fiscal year. Further, it is important for
2 the Board of Directors, the City Manager and the Chief Financial Officer, to agree as to what
3 constitutes a “significant variance” of these items.

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

8 D. For Fiscal Year 2026, a “significant variance” shall be deemed to have occurred if during any
9 reporting period, there has been an increase or decrease from the budgeted amount for the period
10 covered by Monthly Financial Report that is:

- 11 i. Greater than 5% of the amount anticipated for that item for the period covered; and,
- 12 ii. More than Fifty Thousand Dollars (\$50,000.00) from the amount anticipated for that item
13 for the period covered.

14 **Section 10. *TimeLine for Department of Finance.*** The timeline for events related to the timely
15 preparation of reports and statements to the Board of Directors for Fiscal Year 2026 is attached as Exhibit
16 A to this Ordinance.

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

22 **Section 12. *Repealer.*** All ordinances and resolutions, including but not limited to Little Rock, Ark.,
23 Ordinance No. 22,568 (December 26, 2024) (the 2025 Budget Ordinance”), and any other ordinances or
24 resolutions that related to financial reporting within the City, are hereby repealed to the extent of such
25 inconsistency.

26 **Section 13. *Emergency Clause.*** *It is imperative that a Budget Ordinance for the ensuing Fiscal Year*
27 *and Calendar Year be passed prior to the end of the current Calendar Year in order to assure the continued*
28 *provision of City services, operations, and facilities; such continuation is essential to the public health,*
29 *safety and welfare, an emergency is, therefore, declared to exist and this ordinance, shall be in full force*
30 *and effect on January 1, 2026, and the various City Departments shall operate immediately upon its*
31 *passage, and for purposes of record keeping and otherwise, as if it were in full force and effect from and*
32 *after the date of its passage.*

PASSED: December 16, 2025

ATTEST:

APPROVED:

Allison Segars, City Clerk

Frank Scott, Jr., Mayor

APPROVED AS TO LEGAL FORM:

Thomas M. Carpenter, City Attorney

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1 **EXHIBIT A**

2 **FY 2026 BUDGET ORDINANCE FOR THE CITY OF LITTLE ROCK, ARKANSAS**

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4 [NOTE: The Board of Directors enacted financial reporting standards for the City at Little Rock,
5 Ark., Rev. Code §§ 2-245 to 260.8 (1988). Little Rock, Ark., Rev. Code § 2-255 (1988) requires that as a
6 part of the annual budget process the Board of Directors set a timeline for action by the Department of
7 Finance to assure the timely preparation of financial reports. This timeline is to be adopted upon
8 recommendation of the City Manager after consultation with the Chief Financial Officer and the various
9 financial institutions the City uses. This timeline is to be reviewed each year to assure that it sets reasonable
10 expectations for City Staff, but at the same time, assures the preparation and publication of reports to the
11 Board of Directors as quickly as possible. Reports to the Board of Directors are based upon certain events
12 after the month-end close. The month-end close is defined as the last business day of the calendar month
13 that is two months following the end of the reporting period. The two (2)-month closing period is required
14 to accommodate the schedule for receipt of revenue from the State, County, and utility providers. For
15 FY2026 the calendar of events is as follows:
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17 **CALENDAR OF EVENTS RELATED TO TIMELY PREPARATION OF CITY FINANCIAL**
18 **WORKING DAY**
19 **(after the end of the**
20 **calendar month)**

20	EVENT	
21	Department notification of deposits submitted to accounting	3
22	City obtains monthly bank statement	1
23	Department processes bank files to produce combined and	
24	payroll outstanding check lists	5
25	City obtains monthly investment statement	7
26	Department reconciles book balance and bank statements for all	
27	bank accounts	15
28	Department reconciles book balance and investment balances	20
29	Department finalizes and enters all remaining journal entries	23
30	Department reviews and corrects work-to-date	25
31	Department conducts final review of information for reports	27
32	Department processes computer system reports (month-end	
33	close)	30
34	Department completes preparation of monthly reports	30

1 City Manager and Chief Financial Officer distribute monthly report to Board of Directors
2 Chief Financial Officer has monthly report posted in City website following Board distribution
3 City Manager and Chief Financial present financial reports quarterly to Board of Directors.]
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