1	ORDINANCE NO	
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3	AN ORDINANCE TO AMEND LITTLE ROCK, ARK. ORDINANCE NO.	
4	18,649 (FEBRUARY 19, 2002) AND LITTLE ROCK, ARK., REV. CODE §§	
5	2-260.3 THROUGH 2-260.8 (1988) TO UPDATE THE CITY'S FINANCIAL	
6	POLICIES; TO DECLARE AN EMERGENCY; AND FOR OTHER	
7	PURPOSES.	
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9	WHEREAS, the Finance Department of City of Little Rock, Arkansas, has established financial	
10	policies to direct the sound financial operations and affairs of the city to ensure stewardship and	
11	accountability for taxpayer dollars and resources; and,	
12	WHEREAS, the City's financial policies were last updated in 2002 under Little Rock, Ark. Ordinance	
13	No. 18,649 (February 19, 2002); and,	
14	WHEREAS, over the course of the last twenty-three (23) years significant changes to terminology,	
15	language and best practices for strong financial policies have occurred; and,	
16	WHEREAS, necessary amendments to the City's financial policies are being proposed by the City's	
17	Finance Department to incorporate these changes as well as best practices to ensure a strong and financially	
18	sound city.	
19	NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY	
20	OF LITTLE ROCK, ARKANSAS:	
21	Section 1. Little Rock, Ark., Rev. Code § 2-260.3 (11) is amended to read as follows:	
22	(11) Comparison of service delivery will be made to ensure that quality services are provided to our	
23	citizens at the most competitive and economical cost. Departments will identify all activities that can	
24	be provided by another source and review alternatives to current service delivery. The review of service	
25	delivery alternatives will be performed continually. During the annual budget process, funding for	
26	outside agencies, Children's Youth and Family, and special projects will be evaluated.	
27	Section 2. Little Rock, Ark., Rev. Code § 2-260.3 (14) is amended to read as follows:	
28	(14) In each annual budget, the city may authorize a transfer from one fund to another for one (1)	
29	or more special projects. Expenditures from the special project shall be consistent with the purpose of	
30	the special project. Unspent appropriations for special projects remaining on December 31 in the current	
31	fiscal year shall be returned to the fund of origin unless the city manager authorizes a special project to	
32	continue.	
33	Section 3. Little Rock, Ark., Rev. Code § 2-260.4 (1) and (2) are amended to read as follows:	

- 1 (1) A five-year capital improvement plan will be developed biannually and updated annually, including
- 2 anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment
- purchases or construction that results in a capitalized asset exceeding \$10,000 and having a useful life
- 4 (depreciable life) of one (1) year or more.
- 5 (2) The capital improvement plan will include all major capital projects with a total proposed cost
- 6 valued at \$50,000 or more. Capital improvements with a value less than \$50,000 shall be included in
- the annual operating budget process. These improvements are referred to as capital outlays. Repairs
- 8 are the maintenance of an existing capital asset to preserve or restore the asset to its original condition
- 9 are not eligible for inclusion in the capital improvement plan. The city will expense repairs to the
- appropriate operating fund and department.
- 11 **Section 4.** Little Rock, Ark., Rev. Code § 2-260.4 (5) is amended to read as follows:
- 12 (5) The city will strive to provide for a minimum of five (5) percent of internal, pay-as-you-go
- financing for its capital improvement program. Funding may come from fund balance reserves or any
- other acceptable means of funding.
- 15 **Section 5.** Little Rock, Ark., Rev. Code § 2-260.5 (4) is amended to read as follows:
- 16 (4) Financing shall not exceed the useful life of the asset being acquired or constructed.
- 17 **Section 6.** Little Rock, Ark., Rev. Code § 2-260.5 (6) is amended to read as follows:
- 18 (6) The general policy of the city is to establish debt repayment schedules that use level annual
- principal and interest payments. Any deviations from this must be communicated prior to the issuance
- of the debt explaining the reason for the deviation.
- Section 7. Little Rock, Ark., Rev. Code § 2-260.5 (9) is amended to read as follows:
- 22 (9) Utility or waste disposal rates will be set to ensure debt service coverage exceeds the bond indenture
- requirement of one hundred twenty-five (125) percent.
- Section 8. Little Rock, Ark., Rev. Code § 2-260.6 (2) is amended to read as follows:
- 25 (2) The general fund goal is to set aside ten million dollars (\$10,000,000.00) or ten (10) percent of
- general fund revenues, whichever is greater, into a restricted reserve fund.
- Section 9. Little Rock, Ark., Rev. Code § 2-260.6 (4) is amended to read as follows:
- 28 (4) The waste disposal fund will maintain an unrestricted net position reserve of no less than fifteen
- 29 (15) percent of current year revenues.
- 30 Section 10. Little Rock, Ark., Rev. Code § 2-260.6 is amended to add an additional subsection to read
- 31 as follows:
- 32 At the end of the fiscal year and upon completion of the related annual audit, the city will annually
- transfer any general fund surplus to the restricted reserve fund to meet target reserve requirements for
- 34 future periods.

- Section 11. Little Rock, Ark., Rev. Code § 2-260.7 (1) is amended to read as follows:
- 2 (1) Cash and investment programs will be maintained in accordance with the State law and the adopted
- 3 investment policy and will ensure that proper controls and safeguards are maintained. City funds will
- 4 be managed in a prudent and diligent manner governed by the primary objective of safety of principal;
- 5 the secondary objective shall be compliance with all legal restrictions and liquidity needs; and the final
- 6 objective shall be yield.
- 7 **Section 12.** Little Rock, Ark., Rev. Code § 2-260.8 (2) and (3) are amended to read as follows:
- 8 (2) An independent public accounting firm will perform an annual audit. The auditor's opinion will be
- 9 included with the city's published annual comprehensive financial report (ACFR). The ACFR will be
- made available to the public via the city's website.
- 11 (3) The city's ACFR will be submitted to the GFOA certification of achievement for excellence in
- 12 financial reporting program. The financial report should be in conformity with GAAP, demonstrate
- compliance with finance-related legal and contractual provisions, provide full disclosure of all financial
- activities and related matters, and minimize ambiguities and potentials for misleading inference.
- 15 **Section 13.** Little Rock, Ark., Rev. Code § 2-260.8 is amended to add an additional section to read as
- 16 follows:
- 17 The city may supplement its ACFR with a simpler, popular annual financial report (PAFR) designed
- 18 to assist those citizens who prefer a less detailed overview of the city's financial activities. This report
- will be issued concurrently with the ACFR.
- 20 **Section 14.** Little Rock, Ark., Rev. Code § 2-260.8 (6) is amended to read as follows:
- 21 (6) Monthly financial reports shall be prepared and presented to the board of directors on a timely
- 22 basis.
- 23 **Section 15.** Little Rock, Ark., Rev. Code § 2-260.8 is amended to add an additional section to read as
- 24 follows:
- 25 Monthly Sales and use tax collection report shall be prepared and presented to the board of directors
- on a timely basis.
- Section 16. Severability. In the event any title, section, paragraph, item, sentence, clause, phrase, or
- 28 word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or
- 29 adjudication shall not affect the remaining portions of the ordinance which shall remain in full force and
- 30 effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of the
- 31 ordinance.
- 32 **Section 17.** *Repealer.* All ordinances, resolutions, bylaws, and other matters, or parts of the same, that
- are inconsistent with any provision of this ordinance are hereby repealed to the extent of such inconsistency.
- 34 **Section 18. Emergency Clause.** There is hereby found and declared to be an immediate need for

updates to the City's financial policies which benefits the public health, safety, and welfare of the City an				
the inhabitants thereof. It is therefore declared that an emergency exists and this Ordinance, being necessary for the immediate preservation of the public health, safety, and welfare, shall be in force and take effect immediately upon and after 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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