

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

**BOARD OF DIRECTORS COMMUNICATION  
AUGUST 19, 2014 AGENDA**

<p><b>Subject:</b></p> <p>Authorization to adjust the Fiscal Year 2014 Budget for changes to the General and Fleet Funds</p> <p><b>Submitted By:</b></p> <p>Finance Department</p>	<p><b>Action Required:</b></p> <p style="text-align: center;">√ <b>Ordinance</b> Resolution Approval Information Report</p>	<p><b>Approved By:</b></p> <p style="text-align: center;">Bruce T. Moore City Manager</p>
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**SYNOPSIS**

Nine (9) adjustments need to be made to the 2014 Budget to adjust for changes in anticipated revenues and expenditures.

**FISCAL IMPACT**

Adjustment	Revenue	Expenditures	Net
1. Revenue	\$737,342	0	\$737,342
2. Debt Service (3/8-cent STF)	5,155,851	5,155,851	0
3. Workers Compensation	100,000	920,845	(820,845)
4. Pension Pass Through	(391,193)	(391,193)	0
5. Personnel Exp. (Vacancy Savings, Vac/Sick, Police OT)	0	58,685	(56,685)
6. Expenditures	0	307,812	(307,812)
7. Reduce Contingency Allocation	0	(450,000)	450,000
8. Spread Vacancy Savings & Vac/Sick Alloc(7/18/14)	0	0	0
<b>General Fund Total</b>	<b>\$5,602,000</b>	<b>\$5,602,000</b>	<b>\$0</b>
9. Fleet		124,000	(124,000)

**RECOMMENDATION**

Approval of the ordinance.

**CITIZEN  
PARTICIPATION**

N/A

**BACKGROUND**

Each year, the Board considers adjustments to the Adopted Budget. Nine (9) adjustments should be made to the FY14 Budget to reflect changes to the General Fund and Fleet Funds that have occurred since the adoption of the 2014 Budget in Ordinance No. 20,829 passed on December 17, 2013.

1. Budget Adjustments for General Fund Revenues: General Fund revenues will be adjusted for the decrease in estimated sales tax revenues, charges for services (Zoo, Golf, Airport Fire and Police, and other, partially offset by an increase in School Crossing Guards/Resource Officers), and Fines and Fees (parking and traffic). In addition, General Fund revenues will be adjusted for the projected increase in business licenses and building related permits, franchise fees (increase in electricity, gas, fiber optics and cable, partially offset by decreases in long distance, water, and wastewater), Intergovernmental Pension Turnback Revenues and investment income.

Sales Taxes	(\$739,514)
Licenses and Permits	507,000
Franchise Taxes	587,500
Intergovernmental Revenues	740,184
Charges for Services	
Zoo	(127,095)
Rebsamen Golf	(133,000)
War Memorial Golf	(65,000)
Hindman Golf	(4,500)
Airport Fire & Police	(42,700)
Crossing Guards/Resource Officers	120,000
Other	(65,533)
Fines and Fees	(190,000)
Investment Income	<u>150,000</u>
Increase to General Fund Revenues	<b><u>\$737,342</u></b>

**BACKGROUND  
CONTINUED**

2. Adjust the General Fund for the principle portion of debt service payments associated with short-term financing notes issued to advance capital projects funded by the 3/8-Cent Sales Tax:

**Revenue:**

Transfers In – (from 3/8-Cent Tax Capital  
Project Fund) \$5,155,851

**Expense:**

General Government \$5,155,851  
Net Impact to General Fund **\$0**

3. Adjust the General Fund for increased Workers Compensation expenses, partially offset by available Special Project Funds:

**Revenue:**

Transfers In – (from Workers Comp  
Project) \$100,000

**Expense:**

General Government (Workers Comp Premiums  
and Stop-Loss Insurance) \$920,845  
Net Impact to General Fund **(\$820,845)**

4. Adjust the General Fund for changes in revenues and expenses dedicated to the Local Police and Fire Pension Plans: A reduction in estimated property tax levy and the annual Intergovernmental State Pension Turnback Funds will be offset by a reduction to the pension contribution from these revenue sources.

**Revenue:**

Property Taxes – Pension Levies (\$300,000)  
Intergovernmental – Insurance Turnback (91,193)  
**(\$391,193)**

**Expense:**

Police – Pension Contribution (\$271,312)  
Fire – Pension Contribution (111,881)  
**(\$391,193)**  
Net Impact to Budget **\$0**

**BACKGROUND  
CONTINUED**

5. Adjust the General Fund for increased Vacancy Savings, Vacation/Sick Payouts and Police Overtime: Personnel expenses are being adjusted for an increase in the anticipated Vacancy Savings, offset by an increase in Vacation/Sick Payouts and Police Overtime.

**Expense:**

Increase in Vacancy Savings	(\$1,250,000)
General Government – Increase in Vacation/ Sick Payouts	403,185
Increase in Police Overtime	<u>905,500</u>
<b>Increase to General Fund Expenses</b>	<b><u>\$58,685</u></b>

6. General Fund Expenditures: To adjust the General Fund Budget for the increases in Department expenses, grant match, and transfers out.

**Expense:**

Environmental Court (copier damage)	\$7,469
General Government – Increase in Municipal League Defense Program Insurance	138,000
Police – Diversity Training	44,000
Transfers Out – Information Tech.	38,535
Transfers Out – Cities of Service Project	32,000
Transfer Out – Tech Park Lease	<u>47,808</u>
<b>Increase to General Fund Expense</b>	<b><u>\$307,812</u></b>

7. Reduce Contingency Allocation to balance proposed amendment:

Expense:

Transfers Out – Contingency Allocation	<u>(\$450,000)</u>
<b>Decrease to General Fund Expense</b>	<b><u>(\$450,000)</u></b>

**BACKGROUND  
CONTINUED**

**8. Allocate Vacancy Savings and Sick/Vacation Payouts experienced through July 18, 2014:**

	<u>Vacancy Savings 7/18</u>	<u>Vac/Sick Payouts</u>	<u>Total</u>	<u>Original Pers. Budget</u>	<u>Additional Vac. Savings. Payouts and OT (#5)</u>	<u>Revised Pers. Budget</u>
General Government	(\$126,913)	(\$554,201)	(\$681,115)	\$6,274,458	177,895	\$5,771,238
Board of Directors	0	0	0	280,348		280,348
Community Programs	0	31,154	31,154	380,059	68,170	479,383
City Attorney	(48,084)	7,290	(40,794)	1,600,553		1,559,759
District Court - Criminal	(14,195)	0	(14,195)	1,310,333		1,296,138
District Court - Traffic	0	0	0	1,055,621		1,055,621
District Court - Environmental	(1,970)	0	(1,970)	595,856		593,886
Finance	(37,955)	49,912	11,958	2,607,924		2,619,882
HR	0	3,987	3,987	1,315,171	41,208	1,360,366
IT	(139,445)	11,374	(128,071)	2,876,466		2,748,395
Planning and Development	(180,421)	4,825	(175,596)	2,356,928		2,181,332
Housing & Neigh. Programs	(528,559)	10,989	(517,570)	4,702,178		4,184,608
Public Works	(38,330)	0	(38,330)	677,498		639,168
Parks & Recreation	(284,507)	18,033	(266,474)	6,957,661		6,691,187
RiverMarket	0	0	0	605,930		605,930
Golf	0	0	0	1,301,109		1,301,109
Fitness	(3,180)	19,290	16,109	639,032		655,141
Zoo	(189,608)	20,222	(169,387)	3,447,038		3,277,651
Fire	(178,604)	107,090	(71,515)	42,231,299		42,159,784
Police	(1,776,121)	270,035	(1,506,086)	61,075,124	1,021,412	60,590,450
Vacancy Savings	3,547,892		3,547,892	(5,000,000)	(1,250,000)	(2,702,108)
	\$0	\$0	\$0	\$137,290,586	\$58,685	\$137,349,271

**9. Transfer from Fleet Fund Reserves to contribute funding for the Compressed Natural Gas (CNG) Station**

**\$124,000**