



Fleet Services

**Authorized Personnel Summary**

Position	No. Positions	Salary Range
Administrative Assistant I	2	\$26,305 - \$39,458
Automotive Parts Clerk	4	18,777 - 25,996
Automotive Team Leader	7	30,183 - 41,791
Automotive Technician Assistant	1	17,492 - 23,986
Automotive Technician I	8	23,992 - 34,199
Automotive Technician II	20	26,434 - 37,841
Budget Analyst	1	33,010 - 49,515
Director of Fleet Services	1	72,786 - 109,179
Fleet Acquisition & Utilization Manager	1	43,311 - 64,967
Fleet Acquisition Specialist	1	26,305 - 39,458
Fleet Operations Manager	1	43,311 - 64,967
Fleet Service Delivery Driver	1	17,492 - 23,986
Fleet Supply Specialist	1	26,305 - 39,458
Fuel System Technician	1	22,963 - 34,446
Office Assistant III	1	20,292 - 30,438
Secretary - Executive	1	22,963 - 34,446
Service Coordinator I	3	29,102 - 43,653
Tire Worker	2	17,492 - 23,986
Vehicle Service Writer	1	23,563 - 35,343
Welder	1	25,800 - 37,059
<b>Total</b>	<b>59</b>	

**2004 Program Highlights**

**Operations**

- Eliminated outsourcing of tires repair and maintenance, and reinstated the tire worker positions.
- Reduced preventive maintenance backlog at all facilities, increasing ‘in-compliance with industry’ ratios from 55% at 2003 year-end to 85% at 2004 year-end.
- Filled all vacant positions (except those frozen) enabling an improvement in employee morale and less overtime.
- Updated all diagnostic equipment.
- Reduced downtime across Fleet by 25%.
- Improved up-fit program for the Police Department.



**Fleet Services**

**ACQUISITIONS DIVISION**

- Began the process to purchase 79 vehicles from 2004 short-term financing and grant funds.
- Initiated bid process and selected a vendor to install and service new fueling system. (Installation will take place during 1<sup>st</sup> qtr. 2005).
- Conducted research and found insurance reimbursement for the replacement of five police pursuit sedans that were totaled due to wreck damage.

**SUPPORT DIVISION**

- Increased staffing at the Landfill Service Shop without increasing number of positions within the Department, enabling that shop to improve internal controls and customer satisfaction.

**2005 Departmental Priorities**

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**OPERATIONS DIVISION**

- Obtain and maintain ASE Certification in one or more areas for a minimum of 50% of all shop personnel.
- Ensure that at least 90% of the City's fleet is being serviced under our preventive maintenance program.
- Establish a measurable benchmark for downtime.
- Establish an in-house paint and body repair shop at the J.E. Davis facility to reduce downtime and realize an overall savings to the City for these repairs.
- Establish a departmental safety committee to promote a wholesome regard for safety and sanitary conditions.

**ACQUISITIONS DEPARTMENT**

- Complete the purchase of all 2004 short-term financing projects.
- Install new fuel management system.
- Establish a fueling schedule for emergency generators.
- Organize and schedule cost analysis reports for fuel operation.
- Replace two fuel pumps at War Memorial Park.
- Develop a 2005 vehicle replacement list and disseminate to department directors.
- Submit roof repair bid package and secure necessary approvals.

**Fleet Support Services**

- Obtain and maintain ASE Parts Certification for 50% of all parts personnel.
- Develop annual parts inventory schedule.



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Fleet Services

**DEPARTMENT:** Fleet Services **FUND:** Internal Service  
**OBJECTIVES:** Budget: \$7,136,203

**Organization: 6000 Administration**

To monitor and measure performance of the City's vehicles and equipment against outside service alternatives. To provide, evaluate, and maintain excellent customer services to both internal and external customers.

**Organization: 6020 Fleet Acquisition & Disposal**

To establish an efficient, cost effective fleet that meets the needs of the City user departments.

To provide conveniently located, cost effective fueling sites for City vehicles.

To provide proper and effective insurance coverage for all City of Little Rock owned vehicles and equipment.

To efficiently procure and dispose of vehicles and equipment.

To establish and operate vehicle and work equipment inventory database that will furnish accurate historical information to make major fleet management decisions.

To establish and manage warranty programs for all City of Little Rock vehicles.

To develop and enforce a transportation code that will provide the citizens of Little Rock and visitors safe transportation by qualified providers.

**Organization: 6030 Fleet Support**

To provide administrative support.

To provide an efficient, cost effective training program that will develop the skills and abilities of each employee and allow for personal growth and development.

To provide a stock of repair parts for maintenance needs in the most cost-effective manner possible.

To provide an efficient, cost-effective training program that will develop the skills and abilities of each employee and allow for personal growth and development. This program shall focus on development of self-esteem and personal goal achievements.



Fleet Services

**Organization: 6030 Fleet Support**

To provide a stock of repair parts for maintenance needs in the most cost-effective manner possible.

**Organization: 6040 Maintenance**

To provide customers with properly equipped and well-maintained vehicles and equipment to aid them in performing their assigned tasks.

To provide regionalized support maintenance services to operating departments to increase their in-service response time.

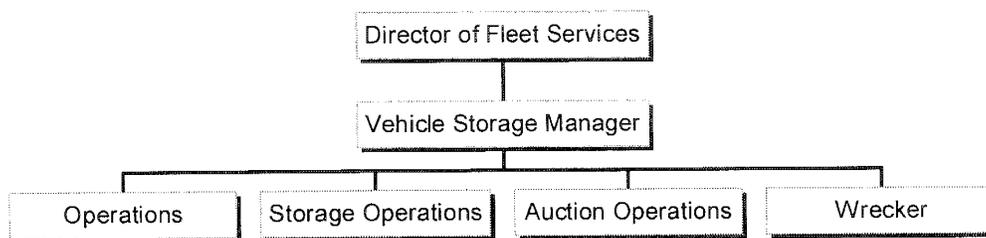
To process insurance claims and track accidents of all City of Little Rock owned vehicles and equipment.

The departmental goals and objectives link with the BOD Statement of Policy of Basic City Services page 14.

<b>Service Measures</b>	<b>Actual 2003</b>	<b>Budget 2004</b>	<b>Est. 2005</b>
Percentage of shop jobs completed with the time established by national standards.	75%	75%	75%
Percentage of vehicle repairs complete within two workdays.	75%	75%	75%
Parts issued-Dollar	\$1,756,722	\$1,814,189	\$1,850,000
Parts issued-Quantity	139,801	159,949	160,500



# Vehicle Storage Facility



## Mission Statement

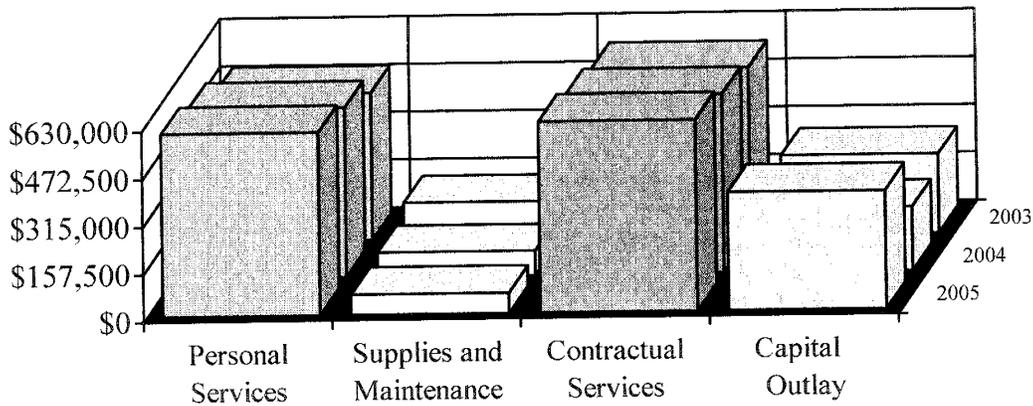
To provide support to City law enforcement entities by providing safe storage for vehicles until they are reclaimed by the registered owner(s) and disposal of unclaimed and abandoned vehicles through public auction as required by law.

Vehicle Storage Facility

Description	Expenditure Budget		
	2003	2004	2005
	Actual Expenditures	Adopted Budget	Adopted Budget
Personal Services	\$484,755	\$560,276	\$603,894
Supplies and Maintenance	119,561	75,650	67,590
Contractual Services	551,249	626,450	694,950
Capital Outlay*	260,180	202,311	389,416
<b>Total</b>	<b>\$1,415,745</b>	<b>\$1,464,687</b>	<b>\$1,755,850</b>

\* The capital outlay category for the Enterprise funds is for spending controls. Depreciation and transfers are budgeted in this category.

Total Allocations By Fiscal Year And Account Category



Resources for Budget	FY 05 Proposed Budget	% Change from Prior Year
608 Vehicle Storage Facility Fund	\$1,755,850	19.88%



**Vehicle Storage Facility**

**Authorized Personnel Summary**

Position	No. Positions	Salary Range
Impound Attendant I	5	\$17,492 - \$23,986
Impound Attendant II	4	20,771 - 29,473
Impound Attendant - Lead	1	21,811 - 31,090
Impound Services Shift Supervisor	2	22,963 - 34,446
Impound Services Auction Technician	1	20,292 - 30,438
Impound Services Manager	1	36,917 - 55,376
Office Assistant II	1	20,291 - 30,438
Security Guard	1	18,595 - 25,539
Transportation Code Coordinator	1	26,305 - 39,458
<b>Total</b>	<b>17</b>	

**2004 Program Highlights**

- Increases Vehicle Storage Facility revenue by 11.4%.
- Implemented written procedures for vehicles for hire; developed an enforcement process that monitors vehicle for hire companies and its drivers.
- Implemented audio-visual surveillance system in the lobby area of the vehicle storage facility.
- Successfully increased the number of auctions at the vehicle storage facility to three (3) per month.
- Decreased the number of customer complaints by 10%.

**2005 Departmental Priorities**

- Research the feasibility of expanding the Vehicle Storage Facility lot to utilize the additional city-owned acreage and increase storage capacity.
- Provide accessibility for Vehicle Storage Facility personnel and customers to view stored and auction vehicles on-line.
- Establish accessibility to view insurance and registration information on-line in an effort to expedite vehicle release.
- Reduce the number of vehicles stored more than six (6) months.



**Vehicle Storage Facility**

**DEPARTMENT:**        **Vehicle Storage Facility**

**FUND: VEHICLE  
STORAGE FACILITY**

**OBJECTIVES:**

**Budget:        \$1,755,850**

**Organization: 6050    Vehicle Storage Facility**

To provide support to city law enforcement entities by providing safe storage for vehicles until they are reclaimed by the registered owner(s).

Provide disposal of unclaimed and abandoned vehicles through public auction as required by law.

The departmental goals and objective link with the BOD Policy Statement for Basic City Services page 14.

<b>Service Measures</b>	<b>Actual 2003</b>	<b>Budget 2004</b>	<b>Est. 2005</b>
Percentage of unclaimed vehicles auctioned within 60 days of impoundment.	98%	98%	98%
Percentage of vehicle identification numbers correctly Processed within 72 hours.	100%	100%	100%

## HOW TO USE THE BUDGET DOCUMENT

This section is designed to explain and simplify the use of this document. It will acquaint you with the types of information you can expect to find such as:

- Sources of money raised by the City
- Where and how the money is spent
- Who provides City Services
- What policies and objectives are set for the upcoming year

### **Definition - What is a Budget Document?**

The budget document explains the City's financial management plan for the upcoming fiscal year. The budget not only outlines the day-to-day functions of City departments for a one-year period; it also lists the major capital projects. The City Manager is responsible for enforcing the spending limits established in this plan.

Each year, the City establishes a budget for operations during the upcoming year, which runs from January 1 to December 31. The budget is based on estimates of projected expenditures for City programs, as well as the means of paying for those expenditures, (estimated revenues). Following study and action by the Mayor and Board of Directors, an adopted budget is published.

As required by law, each year, the City Manager submits to the Mayor and Board of Directors a recommended budget for the fiscal year beginning January 1. After an extensive budget study process and public hearings to receive citizen input, the Mayor and Board of Directors makes its decision on the final, or adopted budget. The budget must be adopted on or before December 30. A calendar of events for budget development activities for fiscal year 2005 is included in this document to more adequately describe the budget development process.

The 2005 Basic Budget is comprised of four major fund types: the General Fund, Street Fund, Internal Service Fund and Enterprise Fund.

The General Fund is used to account for revenues and expenditures for regular day-to-day operations of the City. The primary sources of revenue for this fund are local taxes, and utility franchises.

Departments in the General Fund are organized into the following:

- General Administration
- Mayor and Board of Directors
- City Manager
- Community Programs
- City Attorney
- Cable TV
- District Court First Division
- District Court Second Division
- District Court Third Division
- Finance
- Human Resources
- Information Technology
- Planning & Development
- Housing & Neighborhood Programs
- Public Works
- Parks & Recreation
- Fire
- Police

The three major types of other funds are:

1. Special Revenue Fund - These funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.
2. Enterprise Fund - Governmental accounting funds in which the services provided are principally supported through charges to the users of the services, e.g., solid waste, golf and zoo.
3. Internal Services Fund - Funds that provide services to other parts of the City organization, e.g., motor pool, vehicle maintenance and insurance.

Most payments to the Internal Services Funds are not shown as transfers, but as line items within the budgets of the departments in all operating funds.

### **Operating Flow of Funds**

Revenues are paid into the General Fund and Enterprise Funds as a result of specific activities. For example:

<b>General Fund</b>	<b>Enterprise Funds</b>
Property Taxes	Rates
Sales Taxes	Fees
Licenses & Permits	Intergovernmental Contracts

Expenditures are made from the General Fund and Enterprise Funds to support activities related to each. For example:

#### **General Fund**

- General Fund Departments - Police, Fire, Parks & Recreation, etc.
- Personnel, supplies, contractual services, capital outlay and debt service.

#### **Enterprise Fund**

- Enterprise Funds – Zoo, Golf, War Memorial Fitness Center, Concessions, River Market, Vehicle Storage Facility, Parking Garages and Waste Disposal.
- Personnel, supplies, contractual services, capital outlay, debt service and depreciation.

General Fund, Enterprise Funds, and other user departments all make payments into Internal Service Funds to pay for Fleet operations and maintenance.

#### **Capital Budget**

The Capital Budget consists of major capital programs, which usually operate beyond a year's time from start to finish. Examples of capital projects are street and bridge construction, drainage construction, park development, etc. A description of how funds flow is in the Debt Service Flow of Funds. The Capital Budget provides the operating funds needed to program and fund operating and maintenance requirements for capital facilities, as they become necessary. At times, the completion of certain capital projects may be delayed for a period of time if operating and maintenance moneys are not available.

### **Debt Service Flow of Funds**

The City issues debt after one of the following:

- Approval by City Board to issue Temporary Notes, Certification of Obligations or Revenue Bonds.
- Successful completion of a Bond Election.
- Funds generated from the sale of the debt obligations are allocated to individual special projects within capital project Funds. Open project accounts channel payments for project work to individual contractors. When a project is completed and the project account closed, unused funds can be directed to the debt service obligation. The project account transfers unused funds to the overall capital project fund, which in turn transfers the moneys into the Debt Service Fund. The Debt Service Fund is also supported by other revenue sources. The Debt Service Fund initiates payments of principal and interest to the bond purchasers.

### **Format for Budget Expenditures**

At the beginning of each expenditure section, you will find a Department's organizational chart showing the services which are included in the section, Mission Statement, Personnel Summary, 2004 Highlights and 2005 Departmental Priorities.

The General Fund, Street Fund and Proprietary Funds expenditure sections of the budget provide very detailed information. Major categories of expenditures include:

- Personal Services (Employee Salaries and Fringe Benefits)
- Supplies and Maintenance
- Contractual Services
- Capital Outlay

## GLOSSARY OF TERMS

**Accrual Basis of Accounting** - A basis of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flow.

**Agency** - A division of City government commonly referred to as a City department. Examples are Police, Fire, Parks and Recreation, and Public Works departments. The term "other agencies" is used to identify entities outside of but related to City operations. These include the County Health Department, Library, Arts Center, Museum, and others.

**Amusement Park Lease** - Share of revenue from train rides at Civitan House at the Little Rock Zoo.

**Appropriation** - An amount of money authorized by the Board of Directors for a specific purchase of goods or services.

**Assessed Valuation of Property** - The taxable value of real and personal property in Little Rock, established at 20 percent of market value by the Pulaski County Assessor.

**Board of Directors** - The eleven elected Board members who form the City's governing body.

**Bonds** - Certificates of indebtedness issued by an entity which guarantee payment of principal and interest at a future date.

**Basic Budget** - An annual financial plan that identifies revenue sources and amounts, services to be provided, and amounts of money appropriated to fund these services.

**Budget Amendment** - Legal means by which an adopted estimated revenue or expenditure authorization limit is increased or decreased.

**Budget: Operating** - A financial document designed to provide funding for operating or "ongoing" annual programs of service.

**Budget: Capital** - A financial plan for the purchase or construction of major assets such as buildings, land, streets, sewers, and recreation facilities.

**Capital Equipment** - Generally, equipment with an expected life of more than one year.

**Capital Outlay** - The portion of the annual operating budget that appropriates funds for the purchase of items often separated from regular operating items such as personal, supplies and maintenance and contractual. The capital budget includes funds for purchases such as furniture, vehicles, machinery, building improvements, data processing equipment and special tools, which are usually distinguished from operating items according to their value and projected useful life.

**Commission** - A unit of city government authorized under State statutes to provide a municipal service without control by the City elected governing body. For example, the Housing Commission.

**Contingency Reserve** - A budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted for in the basic budget.

**Contractual Services** - Goods and services acquired under contract that the city receives from an outside company. Professional services, utilities, rentals, and insurance are examples of contractual services.

**Debt Service** - Expenditures for principal and interest on outstanding bond issues.

**Depreciation** - An accounting allocation of a portion of the cost of an asset to the operating expenditures of the current fiscal period, that is designed to indicate the funds that will be required to replace the asset when it is no longer serviceable.

**Discrete Component Unit** - A separate fund that is ultimately dependent upon the City Board of Directors for oversight or approval of its operations.

**Restricted Reserve** - A specific amount of cash set aside by action of the Board of Directors for funding unforeseen contingencies such as destruction from a tornado, flooding, or litigation.

**Encumbrances** - An amount of money committed for payment of a specific good or service not yet received. Funds so committed cannot be used for another purpose.

**Enterprise Fund** - A self-contained fund operated to account for services supported by user charges and fees. Examples are the Golf, Zoo and Waste Disposal funds.

**Expenditures** - Decreases in net financial resources under the current financial resources measurement focus, and pertains to payment of normal operating payments and encumbrances. Expenditures are measured in governmental accounting.

**Expenses** - The cost of doing business in a proprietary organization, and can be either direct outflows or the using up of an asset such as the depreciation of capital assets.

**Fiduciary Fund** - A separate fund that accounts for the pension obligations to a specific group of City employees. A Board of Trustees that exercises a fiduciary responsibility for the fund governs each fund.

**Fiscal Year** - A period of 12 consecutive months designated as the budget year. Little Rock's fiscal year is the calendar year.

**Capital Assets** - Assets of long-term character that is intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment. Capital assets are also called fixed assets.

**Fleet Services** - A management organization accounted for as an internal service fund and responsible for acquiring and maintaining the City's vehicle fleet.

**FUTURE-Little Rock** - A community goal setting process that involved hundreds of citizens over an eighteen-month period. The citizens assessed the City's problems and needs and delivered recommended solutions to the Board of Directors.

**Fund** - A fiscal entity composed of a group of revenue and expenditure accounts maintained to account for a specific purpose. See the section "Little Rock's Financial Structure" for a description of the funds controlled by the Board of Directors, various Commissions, and by Pension Trustees.

**Fund Balance** - The balance in a fund remaining from all revenues, expenditures and carryover funds that is subject to future appropriation.

**Gain/Loss Sale of Fixed Assets** - Proceeds from sale of city owned property such as vehicles, landfill equipment, etc.

**General & Administrative Cost** - Cost associated with the administrative services of City Services.

**General Obligation Bonds** - Bonds secured by the full faith and credit of the City.

**Generally Accepted Accounting Principles (GAAP)** - The conventions, rules and procedures that serve as the norm for the fair presentation of financial statements. Cash basis and income tax basis are not considered to be in accordance with GAAP.

**Government Fund Type** - Funds generally used to account for tax-supported activities. There are five different types of government funds: The General Fund; Special Revenue Funds; Debt Service Funds; Capital Project Funds; and Trust Fund.

**Grant** - Contribution by one government unit or funding sources to another unit. The contribution is usually made to aid in a part of a specified function, but is sometimes also for general purposes.

**Grant Match** - City cost or in-kind services required to match Federal and State grant and programs.

**Impound Lot Fees** - Charges for release from impound lot of vehicles that have been abandoned on street, towed from illegal parking zones, or seized after violation of vehicular laws.

**Industrial Development Revenue Bonds** - Bonds issued by the City to finance construction or expansion of an industrial facility. The City is in no way obligated to repay these bonds; rather they are the sole obligation of the industry that benefits from the financing.

**Infrastructure** – The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

**Internal Service Fund** - This fund operates like an Enterprise Fund to account for citywide vehicle and maintenance costs and the revenue from charge-backs to user departments. It provides a mechanism for identifying vehicle costs and charging them to the property budget program.

**Investment** - Securities purchased and held for the production of revenues in the form of interest.

**Lapsing Appropriation** – An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law. Most operating funds are lapsing funds

**Maintenance** - Maintenance encompasses a variety of materials and services for land and equipment of a permanent or semi-permanent nature for the maintenance, renewal, replacement, repair, minor renovation, etc., associated with existing structures, land, streets, alleys, bridges, storm drains or parts for equipment.

**Millage** - The tax rate(s) levied on real and personal property. One mill equals \$1 per \$1,000 of assessed property value.

**Modified Accrual Basis of Accounting** - A basis of Accounting according to which (1) revenues are recognized in the accounting period in which they become available and measurable and (2) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

**Non-Lapsing Funds** – A fund whose unencumbered appropriation balance remains available for expenditure after the end of the fiscal year. A non-lapsing fund remains open and available for use until all appropriations are expended, transferred, or closed by budgetary action. Grants and Capital Funds normally operate as a non-lapsing fund.

**Non-Operating Fund** - A fund established to account for revenue and expenditures that are not recurring and, therefore, not part of the annual operating budget. Examples of these revenues are sales taxes set aside for special items, and one-time revenue collections such as litigation settlements. Examples of expenditures are those for special programs and projects, and for capital projects.

**Non-Operating Income or Expense** - A non-recurring, unusual item of revenue or required expenditure that would distort the financial results to present as an operating item. These items are reflected below the operating income line on statements of income and expense.

**Operating Revenues** - Recurring sources of income for an entity.

**Operating Expenses** - Recurring costs required to provide a service or maintaining an operation.

**Other Reimbursements** - Funds received from Pulaski County 911 Maintenance, Pension Fund, Bond administration reimbursements, Geographic Information System Analysis, Project management, and Children, Youth & Family accountant salary.

**Outside or Other Agency** - These are local organizations that are not a part of City government, but that receive appropriations from the City. Examples are the Central Arkansas Transit Authority, the County Health Department, the Museum of Discovery, and the Arkansas Arts Center.

**Personal Services** - All costs associated with providing personnel for an agency or program including salaries, wages, FICA, retirement contributions, health, dental, life, disability, unemployment insurance and Workers' Compensation coverage.

**Program** - A division or sub-unit of an agency budget, which identifies a specific service activity to be performed. For example, a snow and ice removal program is funded in the Public Works Street Maintenance Budget.

**Proprietary Fund Type** - Funds that focus on the determination of operating income, changes in net assets – or cost recovery – financial position, and cash flows. There are two different types of proprietary funds: Enterprise Funds and Internal Service Funds.

**Rating** - Ratings are issued by several institutions as an indication of the likelihood that an obligation will be repaid. The highest rating is triple A, which is awarded to debt securities of the U. S. Government. Little Rock's general obligation bonds are rated AA- by two rating agencies, which indicate a high level of confidence in the City's ability to repay its obligations.

**Real Estate Sale** - Proceeds from sale of city owned real estate.

**Recycling** - Share of proceeds from sale of newspaper, metal, and glass collected by private company from sanitation routes.

**Redemption** - The repayment of a bonded indebtedness. Redemption can occur at a specified date, or can be subject to early retirement, should funds be available to do so.

**Reserve** - The Board of Directors may set aside moneys into an account called a reserve to provide for future needs or to meet unknown obligations. For example, the City self-insures for workers' compensation claims and maintains a reserve to meet any unforeseen future claims. The City also maintains a general working capital reserve to meet unknown emergency needs.

**Retained Earnings** - The excess of revenue or expenditures that has accumulated since the inception of a Proprietary Fund.

**Revenue(s)** - (1) Increases in the net current assets of a Governmental Fund Type from other than expenditure refunds, general long-term debt proceeds and operating transfers in.

**Risk Management** - A program to effectively deal with the varied risks faced by the City. This includes protecting the public and City employees by providing commercial or self-insurance coverage for fire, vehicle, and public official and other liabilities, developing and maintaining safe driving programs, and maintaining a safe working environment.

**Special Project** - Generally, a project funded with non-operating revenue. Special projects may be capital improvements or other non-operating items.

**State Tax Turnback** - The State of Arkansas returns a portion of its tax receipts to incorporated cities within the state. Certain turnback revenues may be used for general purposes, while other turnback funds are restricted to street improvements.

**Sundries** - Revenue received from miscellaneous sources.

**Supplies** - Supplies are articles that when consumed or used, show a material change in their physical condition. These items generally last less than one year. Examples of supplies are office supplies, clothing, cleaning & janitorial supplies, petroleum products and chemical, medical & laboratory.

**Transfers In** - Reimbursements from other funds.

**User Charges** - The direct payment by the public for a specific service provided. For example, a monthly charge for garbage pickup.

**Undesignated Fund Balance** - The amount of money remaining in a fund that has not been appropriated or committed for any purpose.

**Utility Franchise Tax** - A City tax levied upon the gross receipts of local privately owned utilities (power, gas, and telephone). Under State law, this tax may be passed on to the utility user.

### 2005 Five Year Forecast

All fund designations and reserves are evaluated annually for long-term adequacy and use requirements in conjunction with development of the City's five-year financial plan. A 10% requirement was used for planning purposes for all funds. The Board of Directors has set a 10% restricted reserve requirement for the General Fund.

The General Fund goal is to set aside \$10,000,000 or 10% of General Fund revenues; whichever is greater, into a restricted reserve fund on or before December 31, 2007. Thereafter, the reserve shall be maintained at the greater of \$10,000,000 or 10% of General Fund revenues. The restricted reserve is estimated to be at 63.9% of the goal by the end of 2005.

The proposed 2005 budgets are balanced and fiscally responsible. The fiscal policies require the adoption of an annual budget in which expenditures do not exceed reasonably estimated revenues and available fund balances. All the funds are balanced based on our projections with the exception of the Concessions and Vehicle Storage Facility Funds. These will be addressed during 2005.

In 2003, the citizens approved \$70,635,000 of Limited Tax General Obligation Capital Improvement Bonds to address needed capital improvements to include: Fire Training Academy – Phase II, Renovations to existing Fire Stations, Emergency Generators – Fire Stations, Police Department Improvements, Emergency Communication Improvements, Street Improvements, Street Reconstruction, Traffic Signals, Intersection Improvements, Drainage Improvements, Parks & Recreational Improvements, Zoo Improvements, School Area Pedestrian Safety Improvements, Animal Services Improvements and Robinson & Statehouse Convention Centers Improvements. Once these projects are completed (by 2007), the Board may consider implementing other aspects of the Vision Little Rock capital improvements plan.

The City has taken steps to plan for the future with the five-year forecast based on the estimated revenues and operating expenditures for 2005 –2009. The forecast for 2006 – 2009 is a planning tool used for the projections. The Board of Directors has only approved the 2005 budget. However, the Board is committed to providing financial stability for all programs.

**CITY OF LITTLE ROCK  
2005-2009 FORECAST**

	FY05 <u>Adopted</u>	FY06 <u>Projected</u>	FY07 <u>Projected</u>	FY08 <u>Projected</u>	FY09 <u>Projected</u>
<u>General Fund</u>					
Beginning Net Assets	\$12,582,896	\$13,082,896	\$15,882,896	\$18,682,896	\$18,998,137
Plus: Est. Revenue	113,396,953	116,298,814	119,615,513	123,109,856	126,723,186
Less: Est. Expenses	<u>112,896,953 **</u>	<u>113,498,814</u>	<u>116,815,513</u>	<u>122,794,615</u>	<u>126,361,853</u>
Ending Net Assets *	<u>13,082,896</u>	<u>15,882,896</u>	<u>18,682,896</u>	<u>18,998,137</u>	<u>19,359,469</u>
Anticipated Restricted Reserve	<u>6,395,745</u>	<u>9,195,745</u>	<u>11,995,745</u>	<u>12,310,986</u>	<u>12,672,319</u>
Reserve Requirement (10% of Revenues)	<u>\$11,339,695</u>	<u>\$11,629,881</u>	<u>\$11,961,551</u>	<u>\$12,310,986</u>	<u>\$12,672,319</u>

\*\*The adopted budget is actually \$113,396,953 with \$500,000 slated for an increase in the restricted reserve.

\* Net Assets includes taxes receivables

	FY05 <u>Adopted</u>	FY06 <u>Projected</u>	FY07 <u>Projected</u>	FY08 <u>Projected</u>	FY09 <u>Projected</u>
<u>Zoo Fund</u>					
Beginning Balance	\$2,479,059	\$2,479,059	\$2,551,759	\$2,667,777	\$2,828,500
Plus: Est. Revenue	3,941,218	4,124,420	4,282,131	4,445,265	4,614,009
Less: Est. Expenses	<u>3,941,218</u>	<u>4,051,720</u>	<u>4,166,113</u>	<u>4,284,542</u>	<u>4,407,157</u>
Fund Balance Per Audit	<u>2,479,059</u>	<u>2,551,759</u>	<u>2,667,777</u>	<u>2,828,500</u>	<u>3,035,352</u>
Reserve Requirement (10% of Revenues)	<u>\$394,122</u>	<u>\$412,442</u>	<u>\$428,213</u>	<u>\$444,527</u>	<u>\$461,401</u>

	FY05 <u>Adopted</u>	FY06 <u>Projected</u>	FY07 <u>Projected</u>	FY08 <u>Projected</u>	FY09 <u>Projected</u>
<u>Golf Fund</u>					
Beginning Balance	\$742,561	\$747,699	\$890,503	\$1,031,504	\$1,170,779
Plus: Est. Revenue	2,757,359	2,961,779	3,029,063	3,098,843	3,162,001
Less: Est. Expenses	<u>2,752,221</u>	<u>2,818,975</u>	<u>2,888,062</u>	<u>2,959,568</u>	<u>3,033,582</u>
Fund Balance Per Audit	<u>747,699</u>	<u>890,503</u>	<u>1,031,504</u>	<u>1,170,779</u>	<u>1,299,197</u>
Reserve Requirement (10% of revenues)	<u>\$275,736</u>	<u>\$296,178</u>	<u>\$302,906</u>	<u>\$309,884</u>	<u>\$316,200</u>

	FY05 <u>Adopted</u>	FY06 <u>Projected</u>	FY07 <u>Projected</u>	FY08 <u>Projected</u>	FY09 <u>Projected</u>
<u>War Memorial Fitness Fund</u>					
Beginning Balance	\$2,365,479	\$2,368,270	\$2,402,836	\$2,435,918	\$2,467,491
Plus: Est. Revenue	1,061,469	1,120,683	1,147,642	1,175,619	1,204,384
Less: Est. Expenses	<u>1,058,678</u>	<u>1,086,117</u>	<u>1,114,560</u>	<u>1,144,046</u>	<u>1,174,634</u>
Fund Balance Per Audit	<u>2,368,270</u>	<u>2,402,836</u>	<u>2,435,918</u>	<u>2,467,491</u>	<u>2,497,241</u>
Reserve Requirement (10% of revenues)	<u>\$106,147</u>	<u>\$112,068</u>	<u>\$114,764</u>	<u>\$117,562</u>	<u>\$120,438</u>

	FY05 <u>Adopted</u>	FY06 <u>Projected</u>	FY07 <u>Projected</u>	FY08 <u>Projected</u>	FY09 <u>Projected</u>
<u>Concessions Fund</u>					
Beginning Balance	(\$323,753)	(\$317,012)	(\$308,720)	(\$300,552)	(\$292,509)
Plus: Est. Revenue	128,831	132,554	136,413	140,412	141,309
Less: Est. Expenses	<u>122,090</u>	<u>124,262</u>	<u>128,245</u>	<u>132,369</u>	<u>136,640</u>
Fund Balance Per Audit	<u>(317,012)</u>	<u>(308,720)</u>	<u>(300,552)</u>	<u>(292,509)</u>	<u>(287,839)</u>
Reserve Requirement (10% of revenues)	<u>\$12,883</u>	<u>\$13,255</u>	<u>\$13,641</u>	<u>\$14,041</u>	<u>\$14,131</u>

**CITY OF LITTLE ROCK  
2005-2009 FORECAST**

	FY05 Adopted	FY06 Projected	FY07 Projected	FY08 Projected	FY09 Projected
<u>River Market Fund</u>					
Beginning Balance	\$4,794,456	\$4,795,249	\$4,854,484	\$4,911,363	\$4,965,786
Plus: Est. Revenue	904,757	983,945	1,002,999	1,022,641	1,047,743
Less: Est. Expenses	<u>903,964</u>	<u>924,710</u>	<u>946,120</u>	<u>968,218</u>	<u>991,028</u>
Fund Balance Per Audit	<u>4,795,249</u>	<u>4,854,484</u>	<u>4,911,363</u>	<u>4,965,786</u>	<u>5,022,502</u>
Reserve Requirement (10% of revenues)	<u>\$90,476</u>	<u>\$98,395</u>	<u>\$100,300</u>	<u>\$102,264</u>	<u>\$104,774</u>
<u>Waste Disposal Fund</u>					
Beginning Balance	\$10,060,937	\$10,808,367	\$10,656,603	\$10,535,787	\$9,891,869
Plus: Est. Revenue	14,800,400	14,893,296	15,237,340	15,324,728	16,294,653
Plus: GASB Adjustment					
Less: Est. Expenses	14,052,970	15,045,060	15,358,156	15,968,646	16,286,692
Fund Balance Per Audit	<u>10,808,367</u>	<u>10,656,603</u>	<u>10,535,787</u>	<u>9,891,869</u>	<u>9,899,831</u>
Reserve Requirement (10% of revenues)	<u>\$1,480,040</u>	<u>\$1,489,330</u>	<u>\$1,523,734</u>	<u>\$1,532,473</u>	<u>\$1,629,465</u>
<u>Vehicle Storage Facility</u>					
Beginning Balance	\$73,150	\$76,329	\$128,323	\$175,440	\$222,063
Plus: Est. Revenue	1,759,029	1,794,117	1,829,917	1,866,417	1,903,817
Less: Est. Expenses	<u>1,755,850</u>	<u>1,742,123</u>	<u>1,782,800</u>	<u>1,819,794</u>	<u>1,858,150</u>
Fund Balance Per Audit	<u>76,329</u>	<u>128,323</u>	<u>175,440</u>	<u>222,063</u>	<u>267,730</u>
Reserve Requirement (10% of revenues)	<u>\$175,903</u>	<u>\$179,412</u>	<u>\$182,992</u>	<u>\$186,642</u>	<u>\$190,382</u>
<u>Street Fund</u>					
Beginning Balance	\$1,721,245	\$977,573	\$925,373	\$870,798	\$813,818
Plus: Est. Revenue	13,779,254	14,199,234	14,434,167	14,673,589	14,908,900
Less: Est. Expenses	<u>14,522,925</u>	<u>14,251,434</u>	<u>14,488,742</u>	<u>14,730,569</u>	<u>14,968,366</u>
Fund Balance Per Audit	<u>977,573</u>	<u>925,373</u>	<u>870,798</u>	<u>813,818</u>	<u>754,353</u>
Reserve Requirement (10% of revenue)	<u>\$1,377,925</u>	<u>\$1,419,923</u>	<u>\$1,443,417</u>	<u>\$1,467,359</u>	<u>\$1,490,890</u>
<u>Fleet Fund</u>					
Beginning Balance	\$3,917,201	\$3,917,201	\$3,908,594	\$3,891,075	\$3,861,436
Plus: Est. Revenue	7,136,203	7,317,456	7,504,152	7,696,421	7,895,221
Less: Est. Expenses	<u>7,136,203</u>	<u>7,326,063</u>	<u>7,521,671</u>	<u>7,726,060</u>	<u>7,936,811</u>
Fund Balance Per Audit	<u>3,917,201</u>	<u>3,908,594</u>	<u>3,891,075</u>	<u>3,861,436</u>	<u>3,819,846</u>
Reserve Requirement (10% of revenues)	<u>\$713,620</u>	<u>\$731,746</u>	<u>\$750,415</u>	<u>\$769,642</u>	<u>\$789,522</u>
<u>Parking Garages</u>					
Beginning Balance	\$434,936	\$426,493	\$527,618	\$415,001	\$341,320
Plus: Est. Revenue	1,741,253	1,985,536	2,028,946	2,072,604	2,072,604
Less: Est. Expenses	<u>1,749,696</u>	<u>1,884,411</u>	<u>2,141,563</u>	<u>2,146,285</u>	<u>2,134,332</u>
Fund Balance Per Audit	<u>426,493</u>	<u>527,618</u>	<u>415,001</u>	<u>341,320</u>	<u>279,594</u>
Reserve Requirement (10% of revenues)	<u>\$174,125</u>	<u>\$198,554</u>	<u>\$202,895</u>	<u>\$207,260</u>	<u>\$207,260</u>

## State and City Budget Statutes

### State Statutes

Title 14, Chapter 47, Section 101-139 (1987, supplement 1991) of the Arkansas Code Annotated grants the City of Little Rock the authority to operate with the City Manager form of government. Specifically, under State Statute 14-47-120, the City Manager has the power and duty to formulate an annual budget and requires in part that:

1. The City Manager shall prepare the municipal budget annually and submit it to the Board for its approval or disapproval and be responsible for its administration after adoption.
2. The City Manager shall prepare and submit to the Board, within sixty (60) days after the end of each fiscal year, a complete report on the finances and administrative activities of the City during the fiscal year.
3. The City Manager shall keep the Board advised of the financial condition and future needs of the City and make such recommendations as to him may seem desirable.

The City complies with item 1 above in its budget process. It complies with items 2 and 3 by submitting monthly, quarterly, and annual financial reports to the Board.

### City Ordinances

Sections 2-211 through 2-218, which follows, of the Code of Ordinances establish budget requirements for preparation, administration and financial reporting. Sections 2-222 and 2-226 also pertain to the budget.

#### **Sec. 2-211. Nature and Scope.**

The budget for the city shall set forth all proposed expenditures for the administration, operation, maintenance and improvement of all offices and departments and expenditures for capital projects to be undertaken and/or executed during the year. In addition thereto, the budget shall set forth the anticipated revenues and other means of financing proposed expenditures for the fiscal year. The budget shall be adopted for the ensuing fiscal year period, while information for subsequent fiscal periods shall be considered a fiscal plan.

#### **Sec. 2-212. Preparation.**

The City Manager shall submit to the Board of Directors a budget and an explanatory budget message for the ensuing year. The City Manager shall compile the budget with the assistance of the Finance Department and other departments or agencies, estimating all revenues and expenditures detailed by organization unit, service program, or object or expenditure, as appropriate.

**Sec. 2-213. Public records; distributing copies.**

The budget and budget message and all supporting schedules shall be a public record in the office of the City Clerk open to public inspection by anyone. The City Manager shall cause sufficient copies of the budget and budget message to be prepared for distribution to interested persons.

**Sec. 2-214. Adoption.**

On or before December 30 of each year the Board of Directors shall adopt a budget for the ensuing year.

**Sec. 2-214. Budget document – Generally.**

The budget document, setting forth the financial plan of the city for the ensuing fiscal period, shall include the following:

- (1) Any explanatory budget message;
- (2) A summary of the budget by fiscal year;
- (3) A detail of the revenue projections upon which the budget is based; and
- (4) The detailed budget plan.

**Sec. 2-216. Budget message.**

- (a) The budget message submitted by the City Manager to the Board of Directors shall be explanatory of the budget, shall contain an outline of the proposed financial policies of the city for the budget year and shall describe in connection therewith the important features of the budget plan. It shall set forth the reasons for salient changes from the previous year in cost and revenue items and shall explain any major changes in financial policy.
- (b) Attached to the budget message shall be such support schedules, exhibits and other explanatory material in respect to both current operations and capital improvements, as the City Manager shall believe useful to the Board of Directors.

**Sec. 2-217. Summary.**

At the head of the budget, there shall appear a summary of the budget, which need not be itemized further than by principal sources of anticipated revenue and total proposed expenditures of each department, in such a manner as to present to taxpayers a simple and clear summary of the estimates of the budget.

**Sec. 2-218. Complete budget plan.**

The budget shall provide a complete plan for the operation of all City departments and offices for the ensuing budget year. It shall contain in tabular form:

Detailed estimates of all anticipated revenues.

All proposed expenditures.

**Sec. 2-222. Emergency appropriations.**

At any time in any budget year, the Board of Directors may make emergency appropriations to meet a pressing public need.

**Sec. 2-248 – 2-251. Financial reporting.**

Fund balance reports shall be prepared and submitted to the Board of Directors by the City Manager and Director of Finance within 20 business days after month end close. A quarterly fund report will also be prepared and printed in the newspaper. Semi annual reports will be prepared published in the newspaper and made available to the public within 30 calendar days after the month end close for June and December of each fiscal year.

**Sec. 2-258 – 260.1. Restricted reserve fund.**

Restricted reserve fund means a portion of the governmental fund type's net assets that are accounted for in a restricted fund balance that is not available for appropriation without special actions of the Board of Directors. This fund shall be considered to be fully funded as a part of the annual City budget when the restricted fund balance shows an amount equal to \$10,000,000, or 10% of the annual General Fund revenues for a budgeted year, whichever is greater. Revenues shall be deposited in this fund in such amounts determined by the Board of Directors to assure that the fund shall be fully funded by December 31, 2007.

**Sec. 2-260.2. Notice of downward economic trends.**

The City Manager and Director of Finance shall notify the Board of Directors in writing at the first available opportunity if economic trends indicate that the revenues projected as a part of the annual City budget are not meeting projections and require the Board to consider reduction in force, city services or the use of restricted reserve fund monies to meet the City's obligations funded in the annual City budget.

### STATISTICAL INFORMATION

Date of Incorporation		November 7, 1831
Date of Adoption of Charter		November 2, 1835
Form of Government		Director-Manager
Date of Director-Manager Government		November 11, 1957
Area - Square Miles		122.31
Miles of Streets and Alley:		
Total Streets		2,495.8
Streets Graded and Surface Treatment		426
Paved - Permanent (Concrete and Asphalt)		2,006.6
Alleys		63
Drainage Ditches Maintained		745
Miles of Sewer:		1,578
Storm		350
Sanitary		1,228
Traffic Controls:		
Signals repaired		1,850
Solid Waste/Garbage Collection:		
Class I and IV tonnage		88,137
Curbside/Drop-off recycling		5,122
Building Permits:		
<u>Year</u>	<u>Permits Issued</u>	<u>Estimated Cost</u>
1995	2,120	204,102,908
1996	2,351	281,153,259
1997	2,315	277,926,135
1998	2,330	295,624,822
1999	2,613	309,887,249
2000	2,243	488,530,453
2001	4,384	300,318,597
2002	4,561	489,610,493
2003	4,432	458,553,311
2004	5,032	475,269,768
Fire Protection:		
Number of Stations		20
Number of Uniformed Employees		373
Insurance Rating for Insurance Service Office (ISO)		
City of Little Rock		Class II

## Police Protection:

Number of Stations	4
Number of Uniformed Employees	527

## Recreation:

Number of Parks, Including Park Development	54
Total Acres	5,745
Number of Playgrounds	48
Number of Tennis Courts	52
Number of Basketball Courts	36
Number of Museums	1
Number of Golf Courses	3
Number of Ball Fields	29
Number of Play Fields	12
Number of Community Centers	6
Number of Swimming Pools	4
Number of Adult Centers	1
Number of Soccer Fields	9
Number of Fitness Centers	1
Number of Pavilions	26
Number of Volleyball Courts	9
Total Recorded Park Attendance - 2004	1,097,848
Number of Zoos	1
Total Zoo Attendance – 2004	251,104
Total Zoo Outreach Program	67,922

## Medical Facilities Number of beds (private occupancy rooms):

Arkansas Children's	280
Arkansas Heart	84
Baptist – Little Rock	791
Baptist Rehabilitation – LR	120
St. Vincent Medical Doctor	296
St. Vincent Medical Center	691
Southwest Regional Medical Center	125
University of Arkansas Medical Center	273
Veteran Health Care System	167
Total Number of Beds	2,827

## LITTLE ROCK AND ENVIRONS

Per Capita Income	\$23,209
Median household income	37,572
U.S. Consumer Price Index	191.0
Percent inflation over past year	3.5%
Unemployment percentage rate	4.4%
Median Age	34.5

Race:	
White	55.0%
Black or African American	40.4%
American Indian and Alaska Native	0.3%
Asian	3.4%
Native Hawaiian and Other Pacific Islander	-
Other	0.9%
Education:	
Number of School Buildings	50
Number of Teachers	2,145
Number of Registered Students, except Kindergarten	25,868
Number of Registered Students, Kindergarten	2,023
Average Daily Attendance:	
Elementary Schools	11,092
High Schools and Middle Schools	12,469
Special Schools	284
Kindergarten	2,023

### PULASKI COUNTY STATISTICS

#### Percent of Population Age 25+

Education level in years of formal schooling:	
High School or Equivalent:	85.9%
BA Degree or Higher:	35.5%
MA/Professional Degree or Higher:	13.4%

### POPULATION

1900	38,165
1910	45,941
1920	65,142
1930	81,657
1940	88,039
1950	102,310
1960	107,813
1962 Special Census	125,671
1964 Special Census	128,929
1970 Census	144,824
1974 Special Census	139,703
1978 Special Census	144,824
1980 Census	159,024
1985 Special Census	178,134
1990 Census	175,795
1991 Revised Census	175,818

1992 U. S. Census Bureau Estimate	176,870
2000 Census	183,133
Bond Rating:	
General Obligation Bonds	
Standard and Poors	AA-
Moody's	Aa3
Sales Tax:	
Local	.5%
County	1%
State	6%

**EMPLOYEES AS OF DECEMBER 31, 2004**

<u>City Government</u>	<u>Total</u>	<u>Full-Time</u>	<u>Part-Time</u>
AFSCME	472	472	
IAFF	373	373	
FOP	527	527	
Non-union	1,030	712	318
	<u>2,402</u>	<u>2,084</u>	<u>318</u>
<u>Commissions</u>			
Wastewater Utility	236	232	4
Little Rock National Airport	141	138	3
Advertising & Promotion	196	119	77
Port Authority	9	8	1
Ambulance Authority	309	210	99
Central Arkansas Transit Authority	172	164	8
Arkansas Museum of Discovery	35	16	19
Arkansas Arts Center	77	41	36
Central Arkansas Library	183	137	46
	<u>1,358</u>	<u>1,065</u>	<u>293</u>
Total Employment	<u><u>3,760</u></u>	<u><u>3,149</u></u>	<u><u>611</u></u>

### MAJOR NONMANUFACTURING EMPLOYERS

Employer	Product	No. of Employees
State of Arkansas	Government	28,100
Federal Government	Government	9,400
University of Arkansas For Medical Sciences	Education/Medical Services	7,800
Public School Districts (LR, NLR & Pulaski CO)	Education	7,411
Baptist Health	Medical Services	7,000
Little Rock Air Force Base	Military	4,500
St. Vincent Infirmiry Medical Center	Medical Services	4,200
Entergy Arkansas	Utility (Electrical)	3,254
Alltel Corporation	Telecommunications	2,734
Veterans Administration Hospitals	Medical Services	2,700
Southwestern Bell Telephone	Utility (Telephone)	2,613
Dillard Department Stores	Department Stores	2,400
AR Blue Cross	Insurance	2,142