

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

4 (D) *Director of Finance* means the Director of Finance and Treasurer, or designated representative,
5 for the City, or if no one is serving in the position, the Acting Director of Finance and Treasurer.

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

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

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

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

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

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

1 **Section 5. Fiscal Year 2019 Budget.** The following respective amount for every resource and
2 appropriate use is herein set forth as follows:

3 **(A) APPROPRIATE OPERATING RESOURCES:**

4	General Fund	\$210,623,272
5	Street	20,144,330
6	Waste Disposal	19,176,900
7	Parking Garages	2,699,750
8	Fleet Services	14,666,490
9	<u>Vehicle Storage Facility</u>	<u>1,842,900</u>
10	<u>TOTAL RESOURCES</u>	<u>\$269,153,642</u>

11 **(B) APPROPRIATE OPERATING USES:**

12 **General Fund Departments**

13	General Administration	\$27,815,347
14	Board of Directors	337,500
15	Community Programs	566,541
16	City Attorney	1,765,815
17	Municipal Court – Criminal	1,331,175
18	Municipal Court – Traffic	1,249,913
19	Municipal Court – Environmental	554,856
20	Finance	3,460,042
21	Human Resources	1,848,017
22	Office of Information Technology	5,449,495
23	Planning & Development	2,576,596
24	Housing & Neighborhood Programs	5,712,630
25	Public Works	1,060,735
26	Parks and Recreation	10,662,574
27	River Market	1,354,146
28	Golf	2,141,314
29	Fitness and Aquatics	855,474
30	Zoo	6,745,800
31	Fire	52,217,670
32	Police	78,785,071
33	Transfer to Street Fund	194,000
34	Future Little Rock, Special Projects, PIT, Grant Match	8,438,561
35	Contingency	1,000,000

1	<u>Vacancy Allocation (Authorized Unfilled Positions)</u>	<u>(5,500,000)</u>
2	TOTAL GENERAL FUND	\$210,623,272
3	Street Fund	21,599,158
4	Solid Waste	21,436,769
5	Parking Garages	2,091,606
6	Fleet Services	15,419,298
7	<u>Vehicle Storage Facility</u>	<u>1,344,955</u>
8	<u>TOTAL USES</u>	<u>\$272,515,058</u>

9 **Section 6. *Outside Agency Contributions.*** The appropriation for General Administration operating
10 uses in Section 4 above includes the following amounts for various entities with which the City contracts
11 for public services, or in which the City has an ownership interest, with the exception of the First Tee
12 allocation, which is included in the Golf operating uses in Section 4:

13	Rock Region Metro (Central Arkansas Transit Authority) (i)	\$8,398,757
14	Pulaski County Regional Detention Center (ii)	1,726,000
15	Arkansas Arts Center (iii)	0
16	Museum of Discovery	230,000
17	Metroplan	178,042
18	Downtown Partnership	195,000
19	PAGIS	134,850
20	First Tee	120,000
21	Pulaski County Health Unit	56,100
22	St. Vincent's	25,381
23	<u>City Beautiful</u>	<u>2,500</u>
24	<u>TOTAL OUTSIDE AGENCY CONTRIBUTIONS</u>	<u>\$11,066,630</u>

- 25 (i) Additional funding is provided by the Street Fund in the amount of \$1,000,000,
26 bringing the total allocation for Rock Region Metro to \$9,398,757.
27 (ii) Additional funding is provided in the local jail fine special project in the amount
28 of \$265,595 to bring support for the Pulaski County Regional Detention Center to
29 \$1,991,595.
30 (iii) Funding from the one (1)-cent Lodging Tax for Parks will provide \$350,000 for
31 the Arts Center in 2019.
32

33 **Section 7. *PILOT Payments.*** In accordance with Act 497 of 1981, Act 713 of 1991, and Act 1629
34 of 2001, of the Arkansas General Assembly, the Director of Finance shall make appropriate payments to
35 the Little Rock School District, the Pulaski County Special School District, and Pulaski County from any
36 affected payment-in-lieu of taxes (PILOT) made to the City by a company for which an Act 9 Industrial

1 Development Bonds was issued; it is estimated that the gross amount of these resources for FY2019 is one
2 million, eight hundred seventy-three thousand, seven hundred fifty-five (\$1,873,755).

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

5 (A) Annual compensation of the Mayor is One Hundred Sixty Thousand Dollars (\$160,000.00),
6 and such other amounts as may from time to time be approved during the time this ordinance
7 is effective;

8 (B) Annual compensation for each member of the Board of Directors is Eighteen Thousand Dollars
9 (\$18,000.00) plus an annual stipend of Three Thousand Dollars (\$3,000.00);

10 (C) In addition to these amounts, there are expenditures noted within this ordinance which
11 document the amounts paid for Mayor and Board member expenses and benefits.

12 **Section 9. Definition of Significant Variance.**

13 (A) In order to prepare this budget it has been necessary to estimate the amount of revenue or other
14 resources that the City will have available to it in Fiscal Year 2019, and the cost of the various
15 expenditures and expenses that the City will incur during this period.

16 (B) To assure the efficient and responsible operation of the City, and the maintenance of its various
17 programs and facilities, it is important for the Board of Directors to be timely advised of a
18 significant variance in revenues, or expenditures, during the course of the fiscal year. Further,
19 it is important for the Board of Directors, the City Manager and the Director of Finance, to
20 agree as to what constitutes a “significant variance” of these items.

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

25 (D) For Fiscal Year 2019, a “significant variance” shall be deemed to have occurred if, during any
26 reporting period, there has been an increase or decrease from the budgeted amount for the
27 period covered by a Monthly Financial Report, or a Quarterly Fund Balance Report that is:

28 (i) Greater than 5% of the amount anticipated for that item for the period of time covered;
29 and,

30 (ii) More than Fifty Thousand Dollars (\$50,000.00) from the amount anticipated for that
31 item for the period of time covered.

32 **Section 10. Timeline for Department of Finance.** The timeline for events related to the timely
33 preparation of reports and statements to the Board of Directors for Fiscal Year 2019 is attached as Exhibit
34 A to this ordinance.

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

6 **Section 12. Repealer.** All ordinances and resolutions, including but not limited to Little Rock, Ark.,
7 Ordinance No. 21,521 (December 19, 2017) (“the 2018 Budget Ordinance”), and any other ordinances or
8 resolutions that relate to financial reporting within the City, are hereby repealed to the extent of such
9 inconsistency.

10 **Section 13. Emergency Clause.** *It is imperative that a budget ordinance for the ensuing fiscal year*
11 *and calendar year be passed prior to the end of the current calendar year in order to assure the continued*
12 *provision of City services, operations, and facilities; such continuation is essential to the public health,*
13 *safety and welfare, an emergency is, therefore, declared to exist and this ordinance, with the exception of*
14 *Section 8 which deals with the compensation of the Mayor and Members of the Board of Directors, shall*
15 *be in full force and effect on January 1, 2019, and the various City Departments shall operate immediately*
16 *upon its passage, and for purposes of record keeping and otherwise, as if it were in full force and effect*
17 *from and after the date of its passage.*

18 **PASSED: December 18, 2018**

19 **ATTEST:**

APPROVED:

20
21 _____
22 **Susan Langley, City Clerk**

_____ **Mark Stodola, Mayor**

23 **APPROVED AS TO LEGAL FORM:**

24
25 _____
26 **Thomas M. Carpenter, City Attorney**

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1 **Exhibit A**

2
3 **FY 2018 BUDGET ORDINANCE FOR THE CITY OF LITTLE ROCK, ARKANSAS**

4
5 [NOTE: The Board of Directors enacted financial reporting standards for the City. Little Rock,
6 Ark., Rev. Code §§ 2-245 to 260.8 (1988) Section 2-260 this ordinance requires that as a part of the
7 annual budget process the Board of Directors set a timeline for action by the Department of Finance
8 to assure the timely preparation of financial reports. This timeline is to be adopted upon
9 recommendation of the City Manager after consultation with the Director of Finance and the various
10 financial institutions the City uses. This timeline is to be reviewed each year to assure that it sets
11 reasonable expectations for City Staff, but at the same time, assures the preparation and publication
12 of reports to the Board of Directors as quickly as possible. Reports to the Board of Directors are
13 based upon certain events after the month-end close. The month-end close is defined as the 15th
14 business day after the end of the previous calendar month. For FY 2019 the calendar of events is as
15 follows:

16
17 **CALENDAR OF EVENTS RELATED TO TIMELY PREPARATION OF CITY FINANCIAL**
18 **REPORTS**

EVENT	WORKING DAY
	(after the end of the calendar month)
Department notification of deposits submitted to accounting	3
City obtains monthly bank statement	1
Department processes bank files to produce combined and payroll outstanding check lists	5
City obtains monthly investment statement	7
Department reconciles book balance and bank statements for all bank accounts	9
Department reconciles book balance and investment balances	11
Department finalizes and enters all remaining journal entries	14
Department reviews and corrects work to date	15
Department conducts final review of information for reports	16
Department processes computer system reports (month-end close)	17
Department completes preparation of monthly reports	22
City Manager and Finance Director distribute monthly report to Board of Directors	
City Manager has monthly report posted in City website following Board distribution	
City Manager and Finance Director present financial reports quarterly to Board of Directors	