

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

**BOARD OF DIRECTORS COMMUNICATION
NOVEMBER 3, 2015 AGENDA**

<p>Subject:</p> <p>Authorization to adjust the Fiscal Year 2015 Budget for changes to the General, Street and Fleet Funds</p> <p>Submitted By:</p> <p>Finance Department</p>	<p>Action Required:</p> <p style="text-align: center;">√ Ordinance Resolution Approval Information Report</p>	<p>Approved By:</p> <p style="text-align: right;">Bruce T. Moore City Manager</p>
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SYNOPSIS

Seven (7) adjustments need to be made to the 2015 Budget to adjust for changes in anticipated revenues and expenditures.

FISCAL IMPACT

Adjustment	Revenue	Expenditure	Net
1. Revenue	2,641,652		\$2,642,652
2. Pension Pass-Thru	80,287	80,287	0
3. General Fund Expenditures		706,782	(706,782)
4. General Fund Transfers Out		1,934,870	(1,934,870)
5. Vacancy Savings & Vacation/ Sick Allocation		0	0
General Fund Total	\$2,721,939	\$2,721,939	\$0
6. Street Fund		0	\$0
7. Fleet		\$153,192	(\$153,192)

RECOMMENDATION

Approval of the ordinance.

CITIZEN PARTICIPATION

N/A

BACKGROUND

Each year, the Board considers adjustments to the adopted budget. Seven (7) adjustments should be made to the FY15 budget to reflect changes to the General, Street, and Fleet Funds that have occurred since the adoption of the 2015 budget in Ordinance No. 20,977 passed on December 16, 2014.

1. Budget Adjustments for General Fund Revenues:

General Fund revenues will be adjusted for the increase in estimated sales tax revenues (approximately 3% over prior year), intergovernmental revenues, franchise fees (increase in electricity, long distance, and fiber optics, partially offset by decreases in gas, telephone landline, cable, water, and wastewater), and miscellaneous revenues. The increase will be partially offset by decreases in charges for services (Zoo, Golf, Fitness, RiverMarket, false alarms, 911 reimbursements, and other charges for services), and Fines and Fees. In addition, General Fund revenues will be adjusted for the projected decrease in building related and wrecker permits.

Sales Taxes	\$2,705,000
Building and Wrecker Permits	(242,000)
Franchise Taxes	1,000,000
Intergovernmental Revenues	812,879
Charges for Services	
Zoo	(800,000)
Rebsamen Golf	(151,950)
Hindman Golf	(25,200)
Jim Dailey Fitness and Aquatics	(50,000)
RiverMarket	(100,000)
False Alarms	(85,000)
911 Reimbursements	(275,000)
Other	(72,400)
Fines and Fees	(391,366)
Miscellaneous Revenues	<u>316,689</u>
Net Increase to General Fund Revenues	<u>\$2,641,652</u>

2. Adjust the General Fund for changes in revenues and expenses dedicated to the Local Police and Fire Pension Plans:

A reduction in the annual Intergovernmental State Pension Turnback Funds and an increase in dedicated court fines and fees will be offset by an increase to the pension contribution from these revenue sources.

BACKGROUND

<u>Revenue:</u>	
Intergovernmental – Insurance Turnback	(128,524)
Dedicated Court Fines, Fees, etc.	<u>208,811</u>
	<u>\$80,287</u>
<u>Expense:</u>	
Police – Pension Contribution	\$56,761
Fire – Pension Contribution	<u>23,526</u>
	<u>\$80,287</u>
Net Impact to Budget	<u>\$0</u>

3. Adjust the General Fund for increased Vacation/Sick Payouts, Fire Overtime, a reduction in Zoo Deferred Maintenance, and other changes in expenditures:

Personnel expenses are being adjusted for an increase in Vacation/Sick Payouts and an increase in Fire overtime due to vacancies. In addition, Zoo deferred maintenance expense will be reduced to help offset revenue losses experienced due to weather. Other expenses are increased for the City-wide monitoring of required licenses and certifications by Human Resources Staff and a payment due Deltic Timber for 60% of the tower lease revenue received for the cell tower on tank 17 – Pebble Beach per the settlement agreement for the period from November 16, 1988 – 2014.

<u>Expense:</u>	
General Government – Increase in Vacation/ Sick Payouts	\$400,000
Increase in Fire overtime	416,418
Reduce Zoo deferred maintenance	(300,000)
Human Resources – monitoring	24,260
Deltic Timber – Tank 17/Pebble Beach	<u>166,104</u>
Increase to General Fund Expenses	<u>\$706,782</u>

4. Increase General Fund transfers out for Special Projects: o
adjust the General Fund Budget for transfers out for Special Projects.

<u>Expense:</u>	
Police Safety Equipment per Ordinance No. 21,043	\$240,380
Police Patrol Car Purchase per Resolution No. 14,227	1,500,000
Homeless Outreach Project True-up (2014)	97,490
Additional Weedlot Maintenance Funding.	<u>97,000</u>
Increase to General Fund Expense	<u>\$1,934,870</u>

**BACKGROUND
CONTINUED**

5. Allocate Vacancy Savings and Sick/Vacation Payouts experienced through August 28, 2015:

	<u>Vacancy Savings 8/31</u>	<u>Vac/Sick Payouts</u>	<u>Total</u>	<u>Original Pers. Budget</u>	<u>Additional Vac Savings, Payouts and OT</u>	<u>Revised Pers. Budget</u>
General Government	(\$39,583)	(770,396)	(\$809,979)	\$7,324,779	266,000	\$6,780,800
Board of Directors	(\$2,957)	37	(2,920)	415,556		412,636
Community Programs	(\$21,434)	0	(21,434)	283,848		262,414
City Attorney	(\$90,271)	29,408	(60,863)	1,667,680		1,606,817
District Court - Criminal	(\$9,232)	29	(9,203)	1,323,617		1,314,414
District Court - Traffic	(\$442)	0	(442)	1,056,580	34,000	1,090,138
District Court - Environmental	(\$2,905)	15,124	12,219	587,984		600,203
Finance	(\$95,253)	25,241	(70,012)	2,620,056	40,000	2,590,044
HR	\$0	0	0	1,341,071	60,000	1,401,071
IT	(\$118,538)	0	(118,538)	3,038,713		2,920,175
Planning and Development	(\$291,465)	11,188	(280,277)	2,339,473		2,059,196
Housing & Neigh. Programs	(\$636,182)	23,162	(613,020)	4,796,086		4,183,066
Public Works	(\$81,824)	0	(81,824)	680,608		598,784
Parks & Recreation	(\$473,984)	12,508	(461,476)	7,084,495		6,623,019
RiverMarket	\$0	0	0	606,419		606,419
Golf	(\$1,684)	506	(1,178)	1,326,977		1,325,799
Fitness	(\$12,979)	2,797	(10,182)	645,220		635,038
Zoo	(\$303,342)	7,139	(296,203)	3,754,832		3,458,629
Fire	(\$416,418)	137,726	(278,692)	42,680,541	416,418	42,818,267
Police	(\$2,143,394)	505,530	(1,637,864)	62,365,348		60,727,484
Vacancy Savings	\$4,741,887		4,741,887	(6,000,000)		(1,258,113)
	\$0	\$0	\$0	\$139,939,883	\$816,418	\$140,756,301

6. Reclassify Street Fund Expenses to fund special projects for capital equipment purchases and a traffic sign inventory and reflectivity study to meet new 2014 MUTCD Sign Reflectivity Requirements:

Reduce Capital Allocation	(\$690,000)
Increase Transfers Out – Special Projects	<u>690,000</u>
Net Impact to Street Fund	<u>\$0</u>

**BACKGROUND
CONTINUED**

7. Transfer from Fleet Reserves to contribute additional funding for the City's Pankey Police Station fueling site and parking lot:

Fleet Fund Expenses:

Transfer out – Pankey Project

\$153,192

Net Impact to Fleet Fund

(\$153,192)