

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

**BOARD OF DIRECTORS COMMUNICATION  
NOVEMBER 19, 2024, AGENDA**

<p><b>Subject:</b></p> <p>Authorization to Adjust the Fiscal Year 2024 Budget for Changes to the General, Street, Vehicle Storage, and Waste Disposal 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</p>	<p><b>Approved By:</b></p> <p style="text-align: right;">Emily Cox Acting City Manager</p>																																																				
<b>SYNOPSIS</b>	Thirteen (13) adjustments need to be made to the 2024 Budget to adjust for changes in actual and anticipated revenues and expenditures.																																																					
<b>FISCAL IMPACT</b>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 45%;">Adjustment</th> <th style="width: 15%;">Revenue</th> <th style="width: 15%;">Expenditure</th> <th style="width: 25%;">Net</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>General Fund:</b></td> </tr> <tr> <td>1. Revenues</td> <td>\$99,806</td> <td>\$0</td> <td>\$99,806</td> </tr> <tr> <td>2. Pass-Thru Adjustments</td> <td>39,035</td> <td>39,035</td> <td>0</td> </tr> <tr> <td>3. Personnel Cost</td> <td>0</td> <td>(1,352,835)</td> <td>1,352,835</td> </tr> <tr> <td>4. Transfers Out</td> <td>0</td> <td>643,000</td> <td>(643,000)</td> </tr> <tr> <td>5. Micro Home Village Operational budget</td> <td>0</td> <td>(500,000)</td> <td>500,000</td> </tr> <tr> <td>6. Transfer from 2023 operational savings</td> <td>0</td> <td>35,000</td> <td>(35,000)</td> </tr> <tr> <td>7. ARPA Adjustment</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>8. Special Projects transfer out to Grants</td> <td>0</td> <td>234,736</td> <td>(234,736)</td> </tr> <tr> <td><b>General Fund Amendment</b></td> <td><b>\$138,841</b></td> <td><b>\$(901,064)</b></td> <td><b>\$1,039,905</b></td> </tr> <tr> <td>2024 Adopted</td> <td>257,510,221</td> <td>257,510,221</td> <td>0</td> </tr> <tr> <td><b>General Fund Amended Total</b></td> <td><b>\$257,649,062</b></td> <td><b>\$256,609,157</b></td> <td><b>\$1,039,905</b></td> </tr> </tbody> </table>		Adjustment	Revenue	Expenditure	Net	<b>General Fund:</b>				1. Revenues	\$99,806	\$0	\$99,806	2. Pass-Thru Adjustments	39,035	39,035	0	3. Personnel Cost	0	(1,352,835)	1,352,835	4. Transfers Out	0	643,000	(643,000)	5. Micro Home Village Operational budget	0	(500,000)	500,000	6. Transfer from 2023 operational savings	0	35,000	(35,000)	7. ARPA Adjustment	0	0	0	8. Special Projects transfer out to Grants	0	234,736	(234,736)	<b>General Fund Amendment</b>	<b>\$138,841</b>	<b>\$(901,064)</b>	<b>\$1,039,905</b>	2024 Adopted	257,510,221	257,510,221	0	<b>General Fund Amended Total</b>	<b>\$257,649,062</b>	<b>\$256,609,157</b>	<b>\$1,039,905</b>
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**FISCAL IMPACT  
CONTINUED**

<b>Adjustment</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Net</b>
<b>Street Fund:</b>			
9. Revenues	\$ (400,000)	\$0	\$ (400,000)
10. Personnel Cost	0	(105,932)	105,932
11. Transfers Out	0	9,162,000	(9,162,000)
<b>Street Fund Amendment</b>	<b>\$ (400,000)</b>	<b>\$9,056,068</b>	<b>\$ (9,456,068)</b>
2024 Adopted	26,129,597	25,234,297	1,895,300
<b>Street Fund Amended Total</b>	<b>\$25,729,597</b>	<b>\$34,290,365</b>	<b>\$ (8,560,768)</b>
<b>Adjustment</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Net</b>
<b>Vehicle Storage Fund</b>			
12. Revenues	\$214,200	\$0	\$214,200
<b>Vehicle Storage Fund Amendment</b>	<b>214,200</b>	<b>0</b>	<b>214,200</b>
2024 Adopted	2,266,000	2,208,454	57,546
<b>Vehicle Storage Fund Amended Total</b>	<b>\$2,480,200</b>	<b>\$2,208,454</b>	<b>\$271,746</b>
<b>Adjustment</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Net</b>
<b>Waste Disposal Fund</b>			
13. Revenues	\$649,100	\$0	\$649,100
<b>Waste Disposal Fund Amendment</b>	<b>\$649,100</b>	<b>\$0</b>	<b>\$619,100</b>
2024 Adopted	25,712,800	25,712,800	0
<b>Waste Disposal Fund Amended Total</b>	<b>\$26,361,900</b>	<b>\$25,712,800</b>	<b>\$649,100</b>

**BACKGROUND**

Each year, the Board considers adjustments to the Adopted Budget. The thirteen (13) adjustments should be made to the FY 24 Budget to reflect changes to the General Fund, Street Fund, Vehicle Storage, and Waste Disposal Fund which have occurred since the adoption of the 2024 Budget in Ordinance No. 22,343 on December 5, 2023, and as amended by Ordinance No. 22,502 on August 6, 2024.

1. Adjustments to General Fund Revenues: General Fund revenues will be adjusted based on year-to-date actual results and projections through year-end. Property tax increases are attributed to the property reappraisal in 2024. The sales tax adjustment reflects actual receipts through August (June revenues). Licenses and permits increases reflect an increase in business licenses and mixed drinks. The Franchise Fees increase reflect rate increases and the Investment Income decrease is due to unanticipated performance.

Property Taxes	\$333,820
Sales Taxes	(1,765,000)
Licenses and Permits	155,500
Intergovernmental	320,000
Charges for Services	985,636
Fines and Fees	37,450
Franchise Fees	1,050,400
Investment Income	(943,000)
Miscellaneous Revenue	<u>(75,000)</u>
<b>Net increase to General Fund Revenues</b>	<b><u>\$99,806</u></b>

2. Adjust the General Fund for Pass-Thru Intergovernmental Revenue from Pension Turnback Funds Dedicated to the Local Police and Fire Pension Plans: Actual Pension Turnback received was higher than anticipated in the Adopted budget.

**Revenues:**

Police Pension Turnback	\$(33,547)
Fire Pension Turnback	72,582
<b>Net Increased to Revenues</b>	<b><u>\$39,035</u></b>

**Expenses:**

Police Pension Contribution	\$(33,547)
Fire Pension Contribution	72,582
<b>Net Increased to Revenues</b>	<b><u>\$39,035</u></b>

**Net impact on the General Fund: \$0**

**BACKGROUND  
CONTINUED**

3. Adjust Personnel cost for Anticipated Changes: Vacancies across the organization, but especially in the Police Department, has created substantial savings from vacancies. Shown in chart below.

**Personnel Cost Expenditures:**

Vacancy Savings	(\$10,211,640)
Budget for Vacancy Savings	7,000,000
Vacation/Sick Leave payouts	<u>1,858,805</u>
<b>Net decrease to General Fund Personnel</b>	<b>(\$1,352,835)</b>

	Vacancy Savings Allocation	Vac/Sic Payouts	Total	Original Personnel Budget	Amended Personnel Budget
General Government	\$ (314,225)	\$ 7,896	\$ (306,329)	\$ 3,842,002	\$ 3,535,673
Board of Directors	\$ -	\$ -	\$ -	\$ 344,116	\$ 344,116
Community Programs	\$ -	\$ -	\$ -	\$ 240,850	\$ 240,850
City Attorney	\$ (167,747)	\$ 32,331	\$ (135,416)	\$ 2,390,876	\$ 2,255,460
District Court Criminal	\$ (39,422)	\$ 12,039	\$ (27,383)	\$ 1,364,057	\$ 1,336,674
District Court Traffic	\$ (35,993)	\$ 5,445	\$ (30,548)	\$ 1,098,108	\$ 1,067,560
District Court Environmental	\$ -	\$ 14,296	\$ 14,296	\$ 531,940	\$ 546,236
Finance	\$ (585,018)	\$ 41,456	\$ (543,562)	\$ 4,499,007	\$ 3,955,445
HR	\$ (111,836)	\$ 9,959	\$ (101,877)	\$ 2,288,851	\$ 2,186,974
IT	\$ (253,112)	\$ 170,681	\$ (82,431)	\$ 4,522,076	\$ 4,439,645
Planning and Development	\$ (220,733)	\$ 111,563	\$ (109,170)	\$ 3,424,729	\$ 3,315,559
Housing & Neighborhood Programs	\$ (412,963)	\$ 24,654	\$ (388,309)	\$ 5,963,385	\$ 5,575,076
Public Works	\$ (22,337)	\$ 38,186	\$ 15,849	\$ 784,613	\$ 800,462
Parks & Recreation	\$ (800,728)	\$ 64,901	\$ (735,827)	\$ 7,167,870	\$ 6,432,043
River Market			\$ -	\$ 531,936	\$ 531,936
Golf	\$ (59,223)	\$ 36,268	\$ (22,955)	\$ 1,051,225	\$ 1,028,270
Jim Dailey	\$ (55,220)	\$ 3,529	\$ (51,691)	\$ 582,907	\$ 531,216
Zoo	\$ (88,954)	\$ 46,370	\$ (42,584)	\$ 4,649,948	\$ 4,607,364
Fire	\$ (434,847)	\$ 431,647	\$ (3,200)	\$ 57,218,697	\$ 57,215,497
Police	\$ (5,803,204)	\$ 799,444	\$ (5,003,760)	\$ 81,855,012	\$ 76,851,252
Emergency Communications	\$ (806,078)	\$ 8,140	\$ (797,938)	\$ 4,645,014	\$ 3,847,076
Totals	\$ (10,211,640)	\$ 1,858,805	\$ (8,352,835)	\$ 188,997,219	\$ 180,644,384
Vacancy Savings			\$ (8,352,835)	\$ 7,000,000	\$ ( 1,352,835)

**BACKGROUND  
CONTINUED**

4. Increase Transfers Out from General Fund to fund Special Projects:  
 Additional funds are needed to closeout the contract for animal Village Construction totaling \$143,000. These funds were budgeted in 2023 and were not used prior to the budget lapsing at year end. There is a companion resolution on the agenda to amend the contract for change orders that occurred during the project. Additionally, the Housing & Neighborhood budget in the General Fund will be decreased by \$500,000 to move funding that was anticipated for the operations of the Micro Home Village to aid in construction costs of the Micro Home Village.

Micro Home Village	\$500,000
Animal Village Construction	<u>143,000</u>
<b>Increase to General Fund Transfers Out</b>	<b>\$643,000</b>

5. Micro Home Village Operating Budget Reduction  
 As noted above, the 2024 adopted budget included \$500,000 for the operations of the Micro Home Village that will not occur this year. Instead, the \$500,000 is needed for construction costs of the village and future operating costs. As a result, the funding is being moved to a Special Project to be used when needed in the future.

Housing and Neighborhood Operating Budget	<u>\$(500,000)</u>
<b>Decrease to General Fund Operating Budget</b>	<b>\$(500,000)</b>

6. Transferring funds funded from the prior year savings:  
 The Human Resources Department had savings in 2023 that has been requested to be carried over in 2024 for a special project for learning and performance development to help ensure our employees are adequately trained and provided valuable performance feedback.

Learning and Performance	<u>\$35,000</u>
<b>Increase to General Fund Transfers Out-using savings</b>	<b>\$35,000</b>

7. Transferring funds for American Rescue Plan Act Allocation:  
 Funding for the Sidewalks (1,2,7) that was originally allocated in ARPA plan allocation will instead be funded from a General Fund transfer to the General Fund Special Projects Fund. To accomplish this transfer, the personnel budget from Police Department will be decreased and expenditures in the same amount will be moved to the American Rescue Plan Act Fund. This will result in a net zero impact to the General Fund.

Police Department Salaries	\$(170,156)
Sidewalks (1,2,7) (Previously ARPA Allocation)	<u>170,156</u>
<b>Net impact on the General Fund:</b>	<b><u>\$0</u></b>

**BACKGROUND  
CONTINUED**

8. Transferring the funds for Temporary Assistance for Needy Families (TANF) from the General Fund Special Projects Fund to the Grant Fund:

This item will move funds from the General Fund Special Projects Fund to the Grant Fund to cover 2023 expenditures that will not be reimbursed by the grant. The transfer is needed due to the overlapping of fiscal years. This item is included in this amendment for audit purposes to show all transfers of funds have been reviewed and considered by the Board of Directors.

TANF Career Crash	<u>\$234,736</u>
<b>Transfer from the General Fund Special Projects Fund to the Grant Fund</b>	<b>\$234,736</b>

9. Adjust the Street fund for Changes in Projected Revenues:

The State Gas Turnback received from the State are lower as one of the components of the turnback, natural gas severance fees are lower than 2023. Realized investment income will increase due to rising interest rates.

State Gas Turnback	\$(880,000)
Investment Income	<u>480,000</u>
<b>Net decrease to Street Fund Revenue</b>	<b>\$(400,000)</b>

10. Adjust Personnel cost for Anticipated Changes: Short staffing has created substantial savings from vacancies.

**Personnel Cost Expenditures:**

Vacancy Savings	\$(1,890,339)
Budget for Vacancy Savings	1,750,000
Vacation/Sick Leave payouts	<u>34,407</u>
<b>Net Decrease to Street Fund Personnel</b>	<b>\$(105,932)</b>

11. Allocate reserves from Street fund for Special Project grant matches:  
Funds allocated to transfers out to address grant match needs.

Jonesboro Drive 1 & 2 (Grant Match)	\$130,000
Jonesboro Drive Phase 3 (Grant Match)	652,000
Markham Side path – (Grant Match)	130,000
I-30 Deck Park (Grant Match)	500,000
Markham Sidewalks Phase 2 (Grant Match)	1,500,000
Safe Streets 4 All (SS4A) Implementation (Grant Match)	<u>6,250,000</u>
<b>Increase to Street Fund Transfers Out</b>	<b>\$9,162,000</b>

**BACKGROUND  
CONTINUED**

12. Adjust Vehicle Storage Fund for increase storage and Wrecker fees:

Administration Fees	\$24,500
Storage Fees	60,500
Wrecker Fees	140,600
Auction Sales	(76,000)
Interest Income	<u>64,600</u>
<b>Net increase in Vehicle Storage Fees</b>	<b>\$214,200</b>

13. Adjust the Waste Disposal Fund for Changes in Projected Revenues:

Private Haulers continue to utilize the landfill, increasing landfill fees. Realized Investment Income has increased due to higher cash and investment balances.

Landfill Fees	\$312,200
Investment Income	<u>336,900</u>
<b>Net increase in Waste Disposal Fees</b>	<b>\$649,100</b>