

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

**BOARD OF DIRECTORS COMMUNICATION  
NOVEMBER 2, 2020 AGENDA**

<p><b>Subject:</b></p> <p>Authorization to Adjust the Fiscal Year 2020 Budget for Changes to the General, Street, Fleet, Vehicle Storage, Waste Disposal, and Parking Garage 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: center;">Bruce T. Moore City Manager</p>
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**SYNOPSIS**

Twenty-four (24) adjustments need to be made to the 2020 Budget to adjust for changes in anticipated revenues and expenditures.

**FISCAL IMPACT**

Adjustment	Revenue	Expenditure	Net
<b>General Fund:</b>			
1. Revenues	(\$7,929,122)		(\$7,929,122)
2. Pension Pass-Thru	(156,878)	(156,878)	0
3. Personnel Cost		(8,520,946)	8,520,946
4. Outside Agency Contributions		(263,561)	263,561
5. Operating Exp.		149,908	(149,908)
6. Transfers Out		5,634,022	(5,634,022)
7. Vacancy Savings & Vac/Sick Alloc.		<u>0</u>	<u>0</u>
<b>General Fund</b>	<b>(\$8,086,00)</b>	<b>(\$3,157,455)</b>	<b>(\$4,928,545)</b>
<b>Amendment</b>			
2020 Adopted	212,125,253	212,125,253	0
April 1, 2020, Amendment	<u>0</u>	<u>(4,928,545)</u>	<u>4,928,545</u>
<b>General Fund Amended Total</b>	<b><u>\$204,039,253</u></b>	<b><u>\$204,039,253</u></b>	<b><u>\$0</u></b>
<b>Street Fund:</b>			
8. Revenue	\$102,700		\$102,700
9. Personnel Cost		(76,258)	76,258
10. Transfers Out		<u>87,513</u>	<u>(87,513)</u>
<b>Street Fund Total</b>	<b>\$102,700</b>	<b>\$11,255</b>	<b>\$91,445</b>
2020 Adopted	<u>21,339,903</u>	<u>21,339,903</u>	<u>0</u>
<b>Street Fund Amended Total</b>	<b><u>\$21,442,603</u></b>	<b><u>\$21,351,158</u></b>	<b><u>\$91,445</u></b>

**FISCAL IMPACT  
CONTINUED**

<b>Fleet Fund:</b>			
11. Revenue	(496,360)		(\$496,360)
12. Personnel Cost		(24,810)	24,810
13. Operating Exp.		(500,000)	500,000
14. Transfers Out		<u>682,450</u>	<u>(682,450)</u>
<b>Fleet Fund</b>	<b>(496,360)</b>	<b>\$157,640</b>	<b>(\$654,000)</b>
<b>Amendment</b>			
2020 Adopted	<u>14,333,041</u>	<u>14,333,041</u>	<u>0</u>
<b>Fleet Fund</b>	<b><u>\$13,836,681</u></b>	<b><u>\$14,490,681</u></b>	<b><u>(\$654,000)</u></b>
<b>Amended Total</b>			
<b>Vehicle Storage:</b>			
15. Revenue	(\$354,522)		(\$354,522)
16. Personnel Cost		(5,524)	5,524
17. Operating Exp.		(175,000)	175,000
18. Transfers Out		<u>6,248</u>	<u>(6,248)</u>
<b>Vehicle Storage</b>	<b>(\$354,522)</b>	<b>(\$174,276)</b>	<b>(\$180,246)</b>
<b>Amendment</b>			
2020 Adopted	<u>2,066,800</u>	<u>1,735,627</u>	<u>331,173</u>
<b>Vehicle Storage</b>	<b><u>\$1,712,278</u></b>	<b><u>\$1,561,351</u></b>	<b><u>\$150,927</u></b>
<b>Amended Total</b>			
<b>Waste Disposal Fund:</b>			
19. Revenues	(\$334,298)		(\$334,298)
20. Personnel Cost		(56,438)	56,438
21. Operating Exp.		(337,200)	337,200
22. Transfers Out		<u>59,340</u>	<u>(59,340)</u>
<b>Waste Disp. Total</b>	<b>(334,298)</b>	<b>(\$334,298)</b>	<b>\$0</b>
2020 Adopted	<u>23,938,605</u>	<u>23,938,605</u>	<u>0</u>
<b>Waste Disposal</b>	<b><u>\$23,604,307</u></b>	<b><u>\$23,604,307</u></b>	<b><u>\$0</u></b>
<b>Fund Amended</b>			
<b>Parking Garage Fund:</b>			
23. Revenue	(\$523,993)		(\$523,993)
24. Operating Exp.		(499,387)	499,387
<b>Garage Fund Total</b>	<b>(\$523,993)</b>	<b>(\$499,387)</b>	<b>(\$24,606)</b>
2020 Adopted	<u>2,962,166</u>	<u>2,168,420</u>	<u>793,746</u>
<b>Parking Garage</b>	<b><u>\$2,438,173</u></b>	<b><u>\$1,669,033</u></b>	<b><u>\$769,140</u></b>
<b>Fund Amended</b>			
<b>Total</b>			
<b>Total All Funds</b>	<b><u>\$267,073,295</u></b>	<b><u>\$266,715,783</u></b>	<b><u>\$357,512</u></b>

Details for the above adjustments are included in the background below:

**RECOMENDATION**

Approval of the ordinance.

**BACKGROUND**

Each year, the Board considers adjustments to the Adopted Budget. Twenty-four (24) adjustments should be made to the FY20 Budget to reflect changes to the General, Street, Fleet, Vehicle Storage, Waste Disposal, and Parking Garage Funds that have occurred since the adoption of the 2020 Budget in Ordinance No. 21,817 passed on December 3, 2019, and the first 2020 Budget Amendment in Ordinance No. 21,848 passed on April 1, 2020.

**BACKGROUND  
CONTINUED**

1. Budget Adjustments for General Fund Revenues: General Fund Revenues will be adjusted for the impact of the Coronavirus Pandemic and other changes since the adoption of the budget as presented to the Board of Directors on October 20, 2020.

Property Taxes	(\$195,300)
Sales Taxes	(873,080)
Licenses and Permits	(1,269,700)
Intergovernmental Revenues	428,505
Charges for Services	
Parks	(258,510)
River Market	(437,400)
Golf	(99,100)
Jim Dailey Fitness and Aquatics	(352,400)
Zoo	(2,218,200)
Airport Security	60,000
Police Services – 911 Fees	200,000
School Resource Officers	(514,000)
Other	(114,255)
Fines and Fees	(961,753)
Franchise Taxes	(1,490,500)
Miscellaneous	228,071
Investment Income	(61,500)
<b>Net decrease to General Fund Revenues</b>	<b><u>(\$7,929,122)</u></b>

2. Adjust the General Fund for changes in revenues and expenses dedicated to the Local Police and Fire Pension Plans: An adjustment to reflect the decrease in the budget for the dedicated 1 mil property tax levies, the increase in the annual Intergovernmental Pension Turnback Funds received in July, the decrease in other dedicated Police Pension revenues, and for the corresponding contributions to the Police and Fire Pensions. These revenues are dedicated to the closed Police and Fire Pension Funds and are directly offset by a net increase in the pension contributions to those plans.

**Revenue:**

Pension Property Tax Levies	(\$130,650)
Intergovernmental – Insurance Turnback	48,475
Miscellaneous Pension Revenues	<u>(74,700)</u>
	<b><u>(\$156,878)</u></b>

**Expense:**

Fire – Pension Contribution	(\$42,340)
Police – Pension Contribution	<u>(114,538)</u>
	<b><u>(\$156,878)</u></b>

**Net Impact to General Fund** **\$0**

**BACKGROUND  
CONTINUED**

3. Adjust personnel cost for the COVID-19 reclassification of FIRE EMT public safety salaries to the Grant Fund to be offset by the State CARES reimbursement; savings associated with the health insurance premium holiday; additional anticipated Vacation/Sick Leave payouts for retiring employees; and an increase in the Vacancy Savings allocation:

**Expense:**

Fire EMT – CARES reclassification	(\$7,666,985)
Health insurance premium holiday	(753,961)
Vacation/Sick Leave Payouts	400,000
Increase in Vacancy Savings	(500,000)
<b>Net decrease to General Fund Expense</b>	<b><u>(\$8,520,946)</u></b>

4. Adjust the General Fund for a net decrease in Outside Agency contributions. The Arts Center increase partially restores the reduction in the April 1, 2020 amendment. The reduction to Rock Region Metro is due to COVID-19 revenue and expense reimbursements that were received from the Federal Government. The increase to Downtown Partnership is due to an additional contract for maintenance and safety:

**Expense:**

Arts Center funding	\$200,000
Rock Region Metro reduction	(513,561)
Downtown Partnership	50,000
<b>Net decrease to General Fund Expense</b>	<b><u>(\$263,561)</u></b>

5. Adjust the General Fund for additional operating expenses associated with the annual property and liability insurance renewal, the City's share of the cost of the General Election, a reduction to RiverMarket operating expenses due to COVID-19 closures, and an increase in Police Department legal fees and negotiated agreements with the Arkansas Municipal League (AML):

**Expense:**

Executive Administration – Property Insurance	\$78,558
Executive Administration – General Election	125,000
RiverMarket Operations – COVID-19	(185,350)
Police Department – AML	131,700
<b>Net increase to General Fund Expense</b>	<b><u>\$149,908</u></b>

**BACKGROUND  
CONTINUED**

6. Increase in Transfers Out to offset unbudgeted COVID-19 expenditures, purchase orders, and encumbrances incurred during the Pandemic and accumulated in a special project; a transfer out for court-ordered attorney fees and expenses held on account for cases on appeal; and a transfer out to set aside health insurance premium holiday savings to offset the 7.5% contract increase in 2021, eliminating the impact of cost increases in health insurance for employees and the City:

**Transfers Out:**

To offset COVID-19 expenditures	\$4,506,860
Court ordered attorney fees and expenses held on account for cases on appeal	128,792
Health insurance premium holiday savings	<u>998,370</u>
<b>Increase to Transfers Out</b>	<b><u>\$5,634,022</u></b>

7. Allocate Vacancy Savings and Sick/Vacation Payouts experienced through October, 2019: Note: Vacancy savings and vacation/sick payouts are allocated monthly based on actual savings and retirements/separations from service. The table below reflects the allocations through 9/30/2020 and other personnel adjustments included in the budget amendment. Additional allocations will be made monthly through year-end.

	<u>Vacancy Savings 9/30/20</u>	<u>Vac/Sick Payouts</u>	<u>Total</u>	<u>Original Personnel Budget</u>	<u>April 1, 2020 Amendment</u>	<u>Health Insurance Holiday</u>	<u>Additional Vac. Savings Payouts and CARES</u>	<u>Amended Personnel Budget</u>
General Government	(64,816)	(1,254,975)	(1,319,791)	8,596,136	(2,690)	(12,724)	400,000	7,660,931
Board of Directors	0	0	0	288,630		(493)		288,137
Community Programs	(23,034)	0	(23,034)	448,964		(2,564)		423,366
City Attorney	(33,855)	5,554	(28,301)	1,439,477		(6,511)		1,404,665
District Court - Criminal	(21,060)	0	(21,060)	998,550	(4,194)	(9,173)		964,123
District Court - Traffic	(27,468)	8,223	(19,245)	1,208,092	(580)	(8,485)		1,179,782
District Court - Environmental	(13,959)	0	(13,959)	439,651	(8,348)	(3,551)		413,793
Finance	(226,864)	28,647	(198,217)	2,963,806	0	(16,865)		2,748,724
HR	(114,423)	10,263	(104,160)	1,570,969	(9,269)	(7,498)		1,450,042
IT	(198,979)	34,682	(164,297)	3,457,993		(17,016)		3,276,680
Planning and Development	(291,347)	125,772	(165,575)	2,404,035	(10,556)	(15,386)		2,212,518
Housing & Neigh. Programs	(734,155)	19,544	(714,611)	4,482,921	(11,342)	(28,407)		3,728,561
Public Works	(3,933)	0	(3,933)	674,802		(4,635)		666,234
Parks & Recreation	(820,838)	41,896	(778,942)	6,483,121	(327,448)	(37,880)		5,338,851
RiverMarket	(241,632)	0	(241,632)	744,595				502,963
Golf	130,374	0	130,374	952,530	(34,243)	(7,393)		1,041,268
Fitness	(60,818)	0	(60,818)	567,083	(49,047)	(3,551)		453,667
Zoo	(392,492)	2,210	(390,282)	4,086,314	(114,141)	(210,627)		3,371,264
Fire	0	310,719	310,719	49,371,887	(8,149)	(334,073)	(7,709,325)	41,631,059
Police	(2,360,701)	667,465	(1,693,236)	73,037,451	(48,751)	(27,129)	(114,538)	71,153,797
Vacancy Savings	5,500,000		5,500,000	(5,500,000)			(500,000)	(500,000)
	\$0	\$0	\$0	\$158,717,007	(\$628,758)	(\$753,961)	(\$7,923,863)	\$149,410,425

**BACKGROUND  
CONTINUED**

**Street Fund Adjustments:**

8. Adjust the Street Fund for changes in projected revenues:

Property Taxes	(182,500)
State Gas Turnback	275,000
Miscellaneous Revenues	10,200
<b>Net increase to Street Fund Revenue</b>	<b>\$102,700</b>

9. Adjust Street Fund Personnel cost savings associated with the health insurance premium holiday:

Health insurance premium holiday savings	(\$76,258)
<b>Net decrease to Street Fund Personnel</b>	<b>(\$76,258)</b>

**BACKGROUND  
CONTINUED**

10. Adjust Street Fund Transfers Out to set aside health insurance premium holiday savings to offset the 7.5% contract increase in 2021, eliminating the impact of cost increases in Health Insurance for employees and the City:

Transfers Out	<u>87,513</u>
<b>Net increase to Street Fund Transfers Out</b>	<b><u>\$87,513</u></b>

**Fleet Fund Adjustments:**

11. Adjust Fleet Fund Revenues for a decrease in fuel charges due to lower prices and other miscellaneous revenues:

Fleet Fuel User Fee	(\$500,000)
Miscellaneous Revenues	<u>3,640</u>
<b>Net decrease to Fleet Fund Revenues</b>	<b><u>(\$496,360)</u></b>

12. Adjust the Fleet Fund for a reduction in personnel costs associated with the health insurance premium holiday:

Health insurance premium holiday savings	(\$24,810)
<b>Decrease to Fleet Fund Personnel Cost</b>	<b><u>(\$24,810)</u></b>

13. Adjust Fleet operating expenses based on actual experience:

Reduced fuel cost	(\$500,000)
<b>Decrease to Fleet Fund Expenses</b>	<b><u>(\$500,000)</u></b>

14. To adjust Fleet Fund Transfers Out to fund Police vehicle upfit charges and to set aside health insurance premium holiday savings to offset the 7.5% contract increase in 2021, eliminating the impact of cost increases in Health Insurance for employees and the City:

Increase Transfers Out for vehicle upfit	\$654,000
Health insurance premium holiday savings	<u>28,450</u>
<b>Increase to Fleet Transfers Out</b>	<b><u>\$682,450</u></b>

**Vehicle Storage Fund Adjustments:**

15. To adjust Vehicle Storage Revenues for decreased Administration, Storage and Wrecker Fees due to the impact of COVID-19 closures and reduced vehicle activity:

**BACKGROUND  
CONTINUED**

Administration Fees	(\$21,530)
Storage Fees	(238,116)
Wrecker Fees	(95,600)
Miscellaneous	724
<b>Decrease to Vehicle Storage Revenues</b>	<b><u>(\$354,522)</u></b>

16. To adjust Vehicle Storage personnel cost for savings associated with the health insurance premium holiday:

Health insurance premium holiday savings	(\$5,524)
<b>Decrease to Vehicle Storage Personnel Cost</b>	<b><u>(\$5,524)</u></b>

17. To adjust Vehicle Storage for operating expenditure savings associated with COVID-19:

Towing Expenses	(\$175,000)
<b>Decrease to Vehicle Storage Operating Exp.</b>	<b><u>(\$175,000)</u></b>

18. To adjust Vehicle Storage Transfers Out to set aside health insurance premium holiday savings to offset the 7.5% contract increase in 2021, eliminating the impact of cost increases in Health Insurance for employees and the City:

Health insurance premium holiday savings	\$6,248
<b>Increase to Fleet Transfers Out</b>	<b><u>\$6,248</u></b>

**Waste Disposal Fund Adjustments:**

19. To adjust Waste Disposal Revenues for changes since adoption of the budget, including a decrease in landfill fees associated with a temporary loss of customers during construction of the new cell, when the old cell reached capacity:

Landfill Fees	(\$1,169,700)
Insurance reimbursement - Landfill	371,800
Insurance reimbursement - Collections	615,320
Disposal of Vehicles and Equipment	(80,000)
Miscellaneous	2,902
Investment Income	(74,620)
<b>Net decrease to Waste Disposal Revenues</b>	<b><u>(\$334,298)</u></b>



**BACKGROUND  
CONTINUED**

20. To adjust personnel cost for health insurance premium holiday savings:

Health insurance premium holiday savings	<u>(\$56,438)</u>
<b>Decrease to Waste Disposal Personnel Cost</b>	<b><u>(\$56,438)</u></b>

21. To adjust Waste Disposal operating expenses for a decrease in diesel fuel cost:

Diesel Fuel	<u>(\$337,200)</u>
<b>Decrease to Waste Disposal Operating Exp.</b>	<b><u>(\$337,200)</u></b>

22. To adjust Waste Disposal Transfers Out to set aside health insurance premium holiday savings to offset the 7.5% contract increase in 2021, eliminating the impact of cost increases in health insurance for employees and the City:

Health insurance premium holiday savings	<u>\$59,340</u>
<b>Increase to Fleet Transfers Out</b>	<b><u>\$59,340</u></b>

**Parking Garage Fund Adjustments:**

23. To adjust the Parking Garage Fund for changes in projected revenues due primarily to the impact of COVID-19:

Business License Revenues	<u>\$20,285</u>
Increase in Street Cut Repairs	<u>300,000</u>
Decrease in Parking Meter Revenues	<u>(245,000)</u>
Decrease in Convention Center and Surface Lot Parking	<u>(329,478)</u>
Decrease in River Market parking	<u>(269,800)</u>
<b>Net decrease to Parking Garage Revenues</b>	<b><u>(\$523,993)</u></b>

24. To adjust Parking Garage operating expenditures due to furloughs and closures associated with COVID-19:

Convention Center Parking Operations	<u>(\$246,000)</u>
RiverMarket Parking Operations	<u>(272,000)</u>
Increase in Parking Garage property taxes	<u>18,613</u>
<b>Net Decrease to Parking Garage Expenses</b>	<b><u>(\$499,387)</u></b>