

ORDINANCE NO. _____

AN ORDINANCE TO PROVIDE FOR AND TO ADOPT THE 2024 BUDGET FOR THE CITY OF LITTLE ROCK, ARKANSAS, FOR THE PERIOD BEGINNING JANUARY 1, 2024, AND ENDING DECEMBER 31, 2024; TO APPROPRIATE RESOURCES AND USES FOR EVERY EXPENDITURE ITEM AND OPERATING FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, Little Rock, Ark., Rev. Code § 2-214 (1988), as amended by mandates that the Board of Directors adopts a budget for the ensuing fiscal year by not later than December 30th; and,

WHEREAS, the Mayor and the City Manager have fulfilled the requirements of Little Rock, Ark., Rev. Code § 2-212 (1988), and Little Rock, Ark., Ordinance No. 19,761 (June 12, 2007), and submitted for consideration of the Board of Directors a proposed budget and such other explanatory information as requested by the Board; and,

WHEREAS, the Board of Directors has reviewed the proposed Fiscal Year 2024 Budget as presented by the Mayor and the City Manager and is of the opinion that based upon the financial information presented to the Board, the following constitutes an appropriate determination of anticipated revenues, expenditures, and expenses for Fiscal Year 2024, and should be adopted as the 2024 Budget for the City of Little Rock, Arkansas.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:

Section 1. This ordinance shall be known as the FY2024 Budget Ordinance of the City of Little Rock, Arkansas, for the twelve (12)-month period beginning January 1, 2024, and ending December 31, 2024, reflecting estimated resources and uses as set forth below.

Section 2. All resources identified within this ordinance herein are estimated and subject to change, and all appropriation uses identified within this ordinance are calculated upon available resources and are also subject to change.

Section 3. Definitions. For purposes of this ordinance, the following terms shall have the following meanings:

(A) *Board of Directors* means the Mayor and members of the Board of Directors of the City of Little Rock, Arkansas.

(B) *City Clerk* means the City Clerk, or designated representative, of the City, or if no one is officially serving in the position, the Acting City Clerk, or designated representative.

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) *Chief Financial Officer* means the Chief Finance Officer and Treasurer, or designated
5 representative, for the City, or if no one is serving in the position, the Acting Chief Financial
6 Officer and Treasurer.

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

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

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

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

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

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

32 **Section 4. Compliance with Existing Laws, Statutes and Ordinances.** This ordinance has been
33 prepared in accordance with various Arkansas Statutes that deal with Municipal Fiscal Reporting
34 Requirements, the *Financial Reporting Standards for the City of Little Rock, Arkansas*, as approved in Little

1 Rock, Ark., Rev. Code §§ 2-245 to 260.8 (1988), and the standards of the Government Finance Officers
2 Association as authorized in Little Rock, Ark., Resolution No. _____ (December 5, 2023).

3 **Section 5. Fiscal Year 2024 Budget.** The following respective amount for every resource and
4 appropriate use is herein set forth as follows:

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

6	General Fund	\$257,510,221
7	Street	26,129,597
8	Waste Disposal	25,712,800
9	Parking Garages	3,193,315
10	Fleet Services	18,575,988
11	<u>Vehicle Storage Facility</u>	<u>2,266,000</u>
12	<u>TOTAL RESOURCES</u>	<u>\$333,387,921</u>

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

14 **General Fund Departments**

15	Executive Administration	\$31,061,193
16	Board of Directors	395,993
17	Community Programs	241,193
18	City Attorney	2,802,974
19	Municipal Court – Criminal	1,505,870
20	Municipal Court – Traffic	1,382,497
21	Municipal Court – Environmental	638,092
22	Finance	5,513,906
23	Human Resources	2,814,973
24	Office of Information Technology	8,214,230
25	Planning & Development	3,681,060
26	Housing & Neighborhood Programs	7,894,173
27	Public Works	1,181,094
28	Parks and Recreation	11,766,892
29	River Market	1,119,224
30	Golf	1,764,703
31	Fitness and Aquatics	914,793
32	Zoo	7,262,246
33	Fire	62,023,166
34	Police	90,635,710
35	911 Emergency Communications	5,045,670

1	Debt Service	4,070,907
2	Transfer to Street Fund	194,000
3	FUTURE Little Rock, Special Projects, PIT, Grant Match	11,110,662
4	Contingency	1,275,000
5	<u>Vacancy Allocation (Authorized Unfilled Positions)</u>	<u>(7,000,000)</u>
6	TOTAL GENERAL FUND	\$257,510,221
7	Street Fund	25,234,297
8	Solid Waste	25,712,800
9	Parking Garages	1,380,908
10	Fleet Services	18,575,988
11	<u>Vehicle Storage Facility</u>	<u>2,208,454</u>
12	<u>TOTAL USES</u>	<u>\$330,622,668</u>

13 **Section 6. *Outside Agency Contributions.*** The appropriation for operating uses in Section 5 above
14 includes the following amounts for various entities with which the City contracts for public services, or in
15 which the City has an ownership interest include the following:

16	(A) Rock Region Metro (Central Arkansas Transit Authority)	\$9,854,118
17	(B) Pulaski County Regional Detention Center	2,715,000
18	(C) Arkansas Arts Center	4,000,000
19	(D) Museum of Discovery	400,000
20	(E) Metroplan	186,384
21	(F) Downtown Partnership	300,000
22	(G) PAGIS	153,850
23	(H) Pulaski County Health Unit	56,100
24	(I) Oakland Fraternal Cemetery	100,000
25	(J) SCI St. Vincent	25,381
26	(K) <u>City Beautiful</u>	<u>2,500</u>
27	<u>TOTAL OUTSIDE AGENCY CONTRIBUTIONS</u>	<u>\$17,793,333</u>

28 **Section 7. *PILOT Payments.*** In accordance with Act 497 of 1981, Act 713 of 1991, and Act 1629 of
29 2001, of the Arkansas General Assembly, the Director of Finance shall make appropriate payments to the
30 Little Rock School District, the Pulaski County Special School District, and Pulaski County from any
31 affected payment-in-lieu of taxes (PILOT) made to the City by a company for which an Act 9 Industrial
32 Development Bonds was issued; it is estimated that the gross amount of these resources for FY2024 is One
33 Million, Five Hundred Five Thousand, Eight Hundred Eighty-Two Dollars (\$1,505,882.00).

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

1 (A) Annual compensation of the Mayor is Two Hundred Thousand Dollars (\$200,000.00), and such
2 other amounts as may from time-to-time be approved during the time this ordinance is
3 effective; and,

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

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

7 (A) To prepare this budget, it has been necessary to estimate the amount of revenue or other
8 resources that the City will have available to it in Fiscal Year 2024, and the cost of the various
9 expenditures and expenses that the City will incur during this period.

10 (B) To assure the efficient and responsible operation of the City, and the maintenance of its various
11 programs and facilities, it is important for the Board of Directors to be timely advised of a
12 significant variance in revenues, or expenditures, during the fiscal year. Further, it is important
13 for the Board of Directors, the City Manager and the Chief Financial Officer, to agree as to
14 what constitutes a “significant variance” of these items.

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

19 (D) For Fiscal Year 2024, a “significant variance” shall be deemed to have occurred if, during any
20 reporting period, there has been an increase or decrease from the budgeted amount for the
21 period covered by a Monthly Financial Report that is:

- 22 (i) Greater than 5% of the amount anticipated for that item for the period covered; and,
- 23 (ii) More than Fifty Thousand Dollars (\$50,000.00) from the amount anticipated for that
24 item for the period covered.

25 **Section 10. *Timeline for Department of Finance.*** The timeline for events related to the timely
26 preparation of reports and statements to the Board of Directors for Fiscal Year 2024 is attached as Exhibit
27 A to this ordinance.

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

33 **Section 12. *Repealer.*** All ordinances and resolutions, including but not limited to Little Rock, Ark.,
34 Ordinance No. 22,215 (December 20, 2022) (“the 2023 Budget Ordinance”), and any other ordinances or

1 resolutions that relate to financial reporting within the City, are hereby repealed to the extent of such
2 inconsistency.

3 **Section 13. Emergency Clause.** *It is imperative that a Budget Ordinance for the ensuing Fiscal Year*
4 *and Calendar Year be passed prior to the end of the current Calendar Year in order to assure the continued*
5 *provision of City services, operations, and facilities; such continuation is essential to the public health,*
6 *safety and welfare, an emergency is, therefore, declared to exist and this ordinance, shall be in full force*
7 *and effect on January 1, 2024, and the various City Departments shall operate immediately upon its*
8 *passage, and for purposes of record keeping and otherwise, as if it were in full force and effect from and*
9 *after the date of its passage.*

10 **PASSED: December 5, 2023**

11 **ATTEST:**

APPROVED:

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14 _____
14 **Susan Langley, City Clerk**

Frank Scott, Jr., Mayor

15 **APPROVED AS TO LEGAL FORM:**

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17 _____
18 **Thomas M. Carpenter, City Attorney**

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1 EXHIBIT A

2 FY 2024 BUDGET ORDINANCE FOR THE CITY OF LITTLE ROCK, ARKANSAS

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4 [NOTE: The Board of Directors enacted financial reporting standards for the City. Little Rock,
5 Ark., Rev. Code §§ 2-245 to 260.8 (1988) Section 2-260 this ordinance requires that as a part of the
6 annual budget process the Board of Directors set a timeline for action by the Department of Finance
7 to assure the timely preparation of financial reports. This timeline is to be adopted upon
8 recommendation of the City Manager after consultation with the Chief Financial Officer and the
9 various financial institutions the City uses. This timeline is to be reviewed each year to assure that it
10 sets reasonable expectations for City Staff, but at the same time, assures the preparation and
11 publication of reports to the Board of Directors as quickly as possible. Reports to the Board of
12 Directors are based upon certain events after the month-end close. The month-end close is defined
13 as the last business day of the calendar month that is two months following the end of the reporting
14 period. The two (2)-month closing period is required to accommodate the schedule for receipt of
15 revenue from the State, County, and utility providers. For FY2024 the calendar of events is as
16 follows:

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	15
Department reconciles book balance and investment balances	20
Department finalizes and enters all remaining journal entries	23
Department reviews and corrects work-to-date	25
Department conducts final review of information for reports	27
Department processes computer system reports (month-end close)	30
Department completes preparation of monthly reports	30
City Manager and Chief Financial Officer distribute monthly report to Board of Directors	
Chief Financial Officer has monthly report posted in City website following Board distribution	
City Manager and Chief Financial present financial reports quarterly to Board of Directors	

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